

# Medicare

## Provider Reimbursement Manual

### Part 2 - Provider Cost Reporting Forms and Instructions - Chapter 35 - Form HCFA-2540-96

Department of Health and  
Human Services (DHHS)  
HEALTH CARE FINANCING  
ADMINISTRATION (HCFA)

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#### **NEW/REVISED MATERIAL--EFFECTIVE DATE:**

This transmittal updates Chapter 35, Skilled Nursing Facility and Skilled Nursing Facility Complex Cost Report, Form HCFA 2540-96 and is effective for cost reporting periods beginning on or after April 1, 1999. This transmittal introduces filing requirements, forms and instructions needed to file a SNF-based Hospice Cost Report. This transmittal also introduces the filing requirements for SNF's eligible to file their cost report using the "simplified" method of cost finding.

**DISCLAIMER:** The revision date and transmittal number only apply to the redlined material. All other material was previously published in the manual and is only being reprinted.

CHAPTER 35

SKILLED NURSING FACILITY AND SKILLED NURSING  
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## 3500. GENERAL

The Paperwork Reduction Act of 1995 requires that the private sector be informed as to why information is collected and what the information is used for by the government. In accordance with §§1815(a) and 1861(v)(1)(A)(ii) of the Act, providers of service participating in the Medicare program are required to submit annual information to achieve settlement of costs for health care services rendered to Medicare beneficiaries. Also, 42 CFR 413.20 requires cost reports from providers on an annual basis. In accordance with these provisions, Form HCFA 2540-96 must be **completed** by all skilled nursing facilities (SNFs), and SNF health care complexes in determining program reimbursement. Besides determining program reimbursement, the data submitted on the cost report supports management of the Federal programs, e.g., data extraction in developing cost limits. In completing Form HCFA 2540-96, the information reported must conform to the requirements and principles set forth in the Provider Reimbursement Manual, Part I (HCFA Pub. 15-I). The instructions contained in this chapter are effective for cost reporting periods ending on or after **June 30, 1996**. Changes implemented by Transmittals 4, 5, 6, 7, 8 and 9 have various effective dates, listed as follows:

Home Health Agencies must make per visit limitation comparisons based on the applicable Metropolitan Standard Area (MSA) for cost reporting periods beginning on and after October 1, 1997.

Outpatient physical therapy services require a 10% reasonable cost reduction for services rendered on and after January 1, 1998.

All SNF's will be reimbursed under the Prospective Payment System (PPS) for cost reporting periods beginning on and after July 1, 1998.

Changes implemented by Transmittal 10 introduce forms and instructions for filing a SNF-based Hospice subprovider. Worksheet S-8, and Worksheets K through K-6 are effective for cost reporting periods beginning on and after April 1, 1999.

42 CFR §413.321 allows a SNF to use the "simplified" method of reimbursement. SNF's with less than 1500 Medicare days, who have no subproviders attached, and filed their previous year's cost report using the "simplified" method (originally developed in Form HCFA 2540S), will now file their cost reports on Form HCFA 2540-96 completing ONLY the worksheets identified in §3504.2.

Effective for cost reporting periods ending on and after March 31, 2000, the electronic cost report (ECR) file will be considered the official means of cost report submissions. The submission of the hard copy cost report will no longer be required, except for providers that use the Health Care Financing Administration supplied free software. Those providers must continue to submit the manually completed hard copy cost report to their fiscal intermediary (along with the corresponding ECR file) due to an inability of the free software to create a print image file. The free software generated ECR file will, however, be considered the official copy.

**NOTE:** Form HCFA 2540-96 is not used by SNFs that are hospital-based. Instead, they continue to use Form HCFA-2552.

Public reporting burden for this collection of information is estimated to average xxx hours per response, and record keeping burden is estimated to average xx hours per response. This includes time for reviewing instructions, searching existing data sources, gathering and maintaining data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to:

- Health Care Financing Administration  
7500 Security Boulevard  
Mail Stop C5-03-03  
Baltimore, Md. 21244
- The Office of Information and Regulatory Affairs  
Office of Management and Budget  
Washington, DC 20503

3500.1 Rounding Standards For Fractional Computations.--Throughout the Medicare cost report, required computations result in the use of fractions. The following rounding standards must be employed for such computation.

1. Round to 2 decimal places:
  - a. Percentages (e.g., capital reduction, outpatient cost reduction)
  - b. Averages, standard work week, payment rates, and cost limits
  - c. Full time equivalent employees
  - d. Per diem
  - e. Hourly rates
2. Round to 5 decimal places:
  - a. Sequestration (e.g., 2.092 percent is expressed as .02092)
  - b. Payment reduction
3. Round to 6 decimal places:
  - a. Ratios (e.g., unit cost multipliers, cost/charge ratios)

If a residual exists as a result of computing costs using a fraction, adjust the residual in the largest amount resulting from the computation. For example, in cost finding, a unit cost multiplier is applied to the statistics in determining costs. After rounding each computation, the sum of the allocation may be more or less than the total cost allocated. This residual is adjusted to the largest amount resulting from the allocation so that the sum of the allocated amounts equals the amount allocated.

3500.2 Acronyms and Abbreviations.--Throughout the Medicare cost report and instructions, a number of acronyms and abbreviations are used. For your convenience, commonly used acronyms and abbreviations are summarized below.

A&G	Administrative and General
AHSEA	Adjusted Hourly Salary Equivalency Amount
ASC	Ambulatory Surgical Center
BBA	Balanced Budget Act of 1997 (PL105-33)
BBRA	Balanced Budget Refinement Act of 1999 (PL106-113)
CAPD	Continuous Ambulatory Peritoneal Dialysis
CAP-REL	Capital-Related
CCPD	Continuous Cycling Peritoneal Dialysis
CCU	Coronary Care Unit
CFR	Code of Federal Regulations
CMHC	Community Mental Health Center
COL	Column
CORF	Comprehensive Outpatient Rehabilitation Facility
CRNA	Certified Registered Nurse Anesthetist
CTC	Certified Transplant Center
DMERC	Durable Medical Equipment Regional Carrier
DRG	Diagnostic Related Group

EKG	Electrocardiogram
ESRD	End Stage Renal Disease
FQHC	Federally Qualified Health Center
FR	Federal Register
GME	Graduate Medical Education
HCFA Pub.	Health Care Financing Administration Publication
HIPPS	Health Insurance Prospective Payment System
HHA	Home Health Agency
HMO	Health Maintenance Organization
HSPC	Hospice
I&Rs	Interns and Residents
ICF/MR	Intermediate Care Facility for the Mentally Retarded
ICU	Intensive Care Unit
IME	Indirect Medical Education
INPT	Inpatient
LCC	Lesser of Reasonable Cost or Customary Charges
MDH	Medicare Dependent Hospitals
MED-ED	Medical Education
MSA	Metropolitan Statistical Area
NHCMQ	Nursing Home Case Mix and Quality Demonstration
NF	Nursing Facility
OBRA	Omnibus Budget Reconciliation Act
OLTC	Other Long Term Care
OOT	Outpatient Occupational Therapy
OPO	Organ Procurement Organization
OPT	Outpatient Physical Therapy
OSP	Outpatient Speech Pathology
PBP	Provider-Based Physician
PPS	Prospective Payment System
PRM	Provider Reimbursement Manual
PRO	Professional Review Organization
PS&R	Provider Statistical and Reimbursement System
PT	Physical Therapy
RCE	Reasonable Compensation Equivalent
RHC	Rural Health Clinic
RPCH	Rural Primary Care Hospitals
ROE	Return on Equity Capital
RT	Respiratory Therapy
RUG	Resource Utilization Group
SCH	Sole Community Hospitals
SNF	Skilled Nursing Facility
TEFRA	Tax Equity and Fiscal Responsibility Act of 1982
WKST	Worksheet

**NOTE:** In this chapter, TEFRA refers to ' 1886(b) of the Act and not to the entire Tax Equity and Fiscal Responsibility Act.

**3504 RECOMMENDED SEQUENCE FOR COMPLETING A SNF COST REPORT**

**3504.1 RECOMMENDED SEQUENCE FOR COMPLETING A SNF OR SNF HEALTH CARE COMPLEX - FULL COST REPORT**

Part I - Departmental Cost Adjustments and Cost Allocation

<u>Step No.</u>	<u>Worksheet</u>	
1	S-2	Read §3508. Complete entire worksheet.
2	S-3, Parts I, II AND III	Read §3509. Complete entire worksheet.
3	S-7	Read §3514.3. Complete Part <b>IV</b> only.
4	A	Read §3516. Complete columns 1 through 3, lines 1 through 75.
5	A-6	Read §3517. Complete, if applicable.
6	A	Read §3516. Complete columns 4 and 5, lines 1 through 75.
7	A-7	Read §3518. Complete line 1 only.
8	A-8-1	Read §3520. Complete Part A. If the answer to Part A is "Yes", complete Parts B and C.
9	A-8-3	Read §§3522-3522.7. Complete, if applicable.
10	A-8-4	Read §§3523-3523.5. Complete, if applicable.
11	A-8-5	Read §§3564-3564.7. Complete, if applicable.
12	A-8	Read §3519. Complete entire worksheet.
13	A	Read §3516. Complete columns 6 and 7, lines 2 through 75.
14	B (Parts I and II), B-1, and B-2	Read §§3524 and 3526. Complete all worksheets entirely.

Part II - Departmental Cost Distribution and Cost Apportionment

1	C	Read §3527. Complete entire worksheet.
2	D	Read §3530. Complete entire worksheet. A <u>separate</u> copy of this worksheet must be completed for each applicable health care program for each SNF and nursing facility (NF).

<u>Step No.</u>	<u>Worksheet</u>	
3	D-1	Read §3531. A separate worksheet must be completed for each applicable health care program for each SNF and NF.
4	H-4, Parts I and II	Read §§3543-3543.2. Complete, if applicable.
5	J	Read §§3551-3554. Complete, if applicable.

Part III - Calculation of Reimbursement Settlement

<u>Step No.</u>	<u>Worksheet</u>	
1	E, Part I	Read §§3534-3534.1. Complete through line 22 of this worksheet for each applicable health care program for each applicable provider component.
2	E, Part II	Read §§3534-3534.2. Complete through line 17 of this worksheet for title XVIII for each applicable provider.
3	E, Part III	Read §§3534-3534.3. Complete through line 7 for Part A and lines 23 through 29 for Part B services.
4	E, Part I	Complete remainder of this worksheet for each applicable health care component for each applicable provider component.
5	E, Part II	Complete remainder of this worksheet for each applicable health care component for each applicable provider component.
6	E, Part III	Complete the remainder of this worksheet.
7	S-4	Read §3511. Complete this worksheet when applicable.
8	H-1	Read §3540. Complete this worksheet when applicable.
9	H-2	Read §3541. Complete this worksheet when applicable.
10	H-3	Read §3542. Complete this worksheet when applicable.

<u>Step No.</u>	<u>Worksheet</u>	
11	H	Read §3539. Complete this worksheet when applicable.
12	H-6, Part I	Read §§3545-3545.1. Complete this worksheet when applicable.
13	H-6, Part II	Read §§3545-3545.2. Complete this worksheet when applicable.
14	S-5	Read §3512. Complete this worksheet when applicable.
15	I-1 through I-3	Read §§3556-3560.2. Complete these worksheets when applicable.
16	I-5	Read §3563. Complete this worksheet when applicable.
17	J-3	Read §3553. Complete this worksheet when applicable. A separate copy of this worksheet must be completed for each component.
18	S-8	Read §3515. Complete this worksheet when Applicable.
19	K-1	Read §3566. Complete this worksheet when applicable.
20	K-2	Read§3567. Complete this worksheet when applicable.
21	K-3	Read §3568. Complete this worksheet when applicable.
22	K	Read §3565. Complete this worksheet when Applicable.
23	K-4	Read §3569. Complete this worksheet when Applicable.
24	K-5	Read §3570. Complete this worksheet when Applicable.
25	K-6	Read §3571. Complete this worksheet.

Step No	Worksheet	
26	G	Read §3536. This step is completed by all providers maintaining fund type accounting records. Non-proprietary providers which do not maintain fund type records complete the General Fund column only.
27	G-1	Read §§3536.1. Complete entire worksheet.
28	G-2, Parts I & II	Read §§3536.2. Complete entire worksheet.
29	S, Parts I & II	Read §§3506-3506.2. Complete Part II entirely. Then complete Part I.

**3504.2 RECOMMENDED SEQUENCE FOR COMPLETING A SNF COST REPORT UNDER THE SIMPLIFIED METHOD - LESS THAN 1500 MEDICARE DAYS**

Step No.:	Worksheet	
1	S-2	Read §3508. Complete lines 1 through 6, 13, 14, 20, 23 through 32, 43, 45 through 48, 50, 51 and 52.
2	S-3, Part I	Read §3509. Complete lines 1, 3 and 9.
3	S-3, Part II	Complete lines 1, 2, 3, 5 through 8, and 14 through 24.
4	S-3, Part III	Complete lines 1 through 11, 13 and 14.
5	S-7, Part IV	Read §3514.3 Complete Part IV only.
6	A	Read §3516. Complete columns 1, 2 and 3. Complete lines 1 through 9, 16, 18, 19, 21 through 33, 54, 56, 59, 63 and 75..
7	A-6	Read §3517. Complete, if applicable.
8	A-7	Read §3518. Complete, if applicable.
9	A	Read §3516. Complete columns 4 and 5.
10	A-8-1	Read §3520. Complete Part A. If the answer to Part A is "Yes", complete Parts B and C.
11	A-8-3	Read §§3522-3522.7. Complete, if applicable.
12	A-8	Read §3519. Complete entire worksheet.
13	A	Read §3516. Complete columns 6 and 7.

Step No.:	Worksheet	
14	B, Part III	Read §3525.1. Complete entire worksheet.
15	B-1, Part II	Read §3525.1. Complete entire worksheet.
16	C	Read §§3527. Complete lines 21 through 33, and line 75.
17	D, Part I	Read §3530. Complete lines 21 through 33, and line 75. A <u>separate</u> copy of this worksheet must be completed for each applicable health care program for each SNF and nursing facility (NF).
18	E, Part III, Part A	Read §3534.3. Complete lines 7 through 18.
19	E, Part III, Part B	Read §3534.3. Complete lines 19, 20, 22, 23, 25 through 28, 31, and 33 through 38.
20	G	Read §3536. This step is completed by all providers maintaining fund type accounting records. Non-proprietary providers which do not maintain fund type records complete the General Fund column only.
21	G-1	Read §§3536.1. Complete entire worksheet.
22	G-2	Read §§3536.2. Complete entire worksheet.
23	G-3	Read §§3536.3. Complete entire worksheet.
24	S, Parts I & II	Read §§3506.2. Complete Part II entirely. Then complete Part I.

## 3505. SEQUENCE OF ASSEMBLY

The following examples of assembly of worksheets are provided so all providers are consistent in the order of submission of their annual cost report. All providers using Form HCFA 2540-96 **must** adhere to this sequence. If worksheets are not completed because they are not applicable, do not include blank worksheets in the assembly of the cost report.

<u>Worksheet</u>	<u>Part</u>	<u>Full Cost Report</u>	<u>Simplified Cost Report</u>
S	I & II	X	X
S-2		X	X
S-3	I, II & III	X	X
S-4		X	
S-5		X	
S-6		X	
S-7	IV	X	X
S-8		X	
A		X	X
A-6		X	X
A-7		X	X
A-8		X	X
A-8-1		X	
A-8-2		X	
A-8-3		X	
A-8-4		X	
A-8-5		X	X
B	I	X	
B	II	X	
B	III		X
B-1	I	X	
B-I	II		X

<u>Worksheet</u>	<u>Part</u>	<u>Full Cost Report</u>	<u>Simplified Cost Report</u>
B-2		X	
C		X	X
D		X	X
D-1		X	
D-2		X	
E	I	X	
E	II	X	
E	III	X	X
E-1		X	X
G		X	X
G-1		X	X
G-2		X	X
G-3		X	X
H Through H-7		X	
I Through I- 5		X	
J-I Through J-4		X	
K Through K-6		X	

3506. WORKSHEET S - SKILLED NURSING FACILITY AND SKILLED NURSING FACILITY HEALTH CARE COMPLEX COST REPORT CERTIFICATION AND SETTLEMENT SUMMARY

For intermediary use only.

The intermediary should indicate in the appropriate box whether this is the initial cost report, final report due to termination, or if this is a reopening. If it is a reopening, indicate the number of times the cost report has been reopened.

3506.1 Part I - Certification--This certification is read, prepared, and signed after the cost report has been completed in its entirety.

Check the appropriate box to indicate whether you are filing electronically or manually. For electronic filing, indicate on the appropriate line the date and time corresponding to the creation of the electronic file. This date and time remains as an identifier for the file by the intermediary and is archived accordingly. This file is your original submission and is not to be modified.

3506.2 Part II - Settlement Summary--Enter the balance due to or due from the applicable program for each applicable component of the program. Transfer settlement amounts as follows:

Skilled Nursing Facility Component	Title V	From Title XVIII Part A	Title XVIII Part B	Title XIX
Skilled Nursing Facility	Wkst. E, Part I, Line 36	Wkst. E, Part I, Line 36 or Wkst. E, Part III, Line 17	Wkst. E, Part II, Line 28 or Wkst E, Part III, Line 37	Wkst. E, Part I, Line 36

Do not enter any data on line 2.

Nursing Facility	Wkst. E, Part I, Line 36	N/A	N/A	Wkst. E, Part I, Line 36
ICF/MR	N/A	N/A	N/A	Wkst. E, Part I, Line 36
36 SNF-Based Home Health Agency	Wkst. H-6, Part II, Col. 2 Line 22	Wkst. H-6, Part II, Col. 1 Line 22	Wkst. H-6, Part II, Col. 2 Line 22	Wkst. H-6, Part II, Col. 2 Line 22
SNF-Based Outpatient Rehabilitation Facility	Wkst. J-3, Part I, Col. 1, Line 17 or Wkst. J-3 Part III, Line 24	N/A	Wkst. J-3, Part I Col. 2, Line 17 or Wkst. J-3 Part III, Line 24	Wkst. J-3, Pt.I Col. 3, Ln. 17 or Wkst. J-3 Part
III, Ln. 24 SNF-Based RHC/FQHC	Wkst. I-3 N/A Line 26		Wkst. I-3 Line 26	Wkst I-3 Line 26

3508. WORKSHEET S-2 - SKILLED NURSING FACILITY AND SKILLED NURSING FACILITY HEALTH CARE COMPLEX IDENTIFICATION DATA

The information required on this worksheet is needed to properly identify the provider.

Lines 1 and 2.--Enter the address of the skilled nursing facility.

Line 3. Indicate the county and MSA Code of this SNF. Enter a "U" or "R" designating urban or rural.

Line 3.1.-- Enter the Facility Specific Rate, supplied by your intermediary. Enter the transition period of 1 = 25/75, (25 percent Federal Case Mix - 75 percent Facility Specific Rate), 2 = 50/50, 3 = 75/25, (75 percent Federal Case Mix - 25 percent Facility Specific Rate), or 100 for 100 percent Federal Case Mix Rate.

Line 3.2.-- Enter in column 1 the wage adjustment factor in effect before October 1, and in column 2 the adjustment in effect on or after October 1.

This information is needed to properly determine which RUG rates are applicable.

Lines 4 through 12.--On the appropriate lines and columns indicated, enter the names, provider identification numbers, and certification dates of the skilled nursing facility (SNF) and its various components, if any. For each health care program, indicate the payment system applicable to the SNF and its various components by entering "p" (prospective payment system), "o" (indicating cost reimbursement), or "n" (for not applicable) respectively.

Line 4.--This is an institution which meets the requirements of §1819 of the Social Security Act. Skilled Nursing Facility cost reporting periods beginning on and after 07/01/98 and reimbursed under title XVIII will be using the Prospective Payment System.

Line 6.--This is a portion of a SNF which has been issued a separate identification number and which meets the requirements of §1919 of the Act.

Line 6.1.-- This is a portion of a SNF which has been issued a separate identification number and which meets the requirements of §1905(d) of the Act.

Line 7.--This is a distinct part and separately certified component of a SNF which meets the requirements of §1886(d)(1)(B) of the Act.

Line 8.--This is a distinct part HHA that has been issued an identification number and which meets the requirements of §§1861(o) and 1891 of the Act. If you have more than one SNF based HHA, subscript this line and report the required information for each HHA.

Line 9.--Do not enter any data on line 9.

Line 10.--This is a SNF-based outpatient rehabilitation facility that has been issued a separate identification number. Indicate the type of facility through subscripted line numbers, as follows. Use line 10.00 for a CORF, line 10.10 for a CMHC, line 10.20 for an OPT, line 10.30 for an OOT, and line 10.40 for an OSP.

Line 11.--This is a distinct part and separately certified component of an SNF which meets the requirements of §1861 (aa) of the Act.

Line 12.--This is a distinct part and separately certified component of an SNF which meets the requirements of §1861 (dd) of the Act.

Line 13.--Enter the inclusive dates covered by this cost report. In accordance with 42 CFR 413.24(f), you are required to submit periodic reports of operations which generally cover a consecutive 12-month period of operations. (See §§102.1 - 102.3 for situations when you may file a short period cost report.)

Cost reports are due on or before the last day of the fifth month following the close of the period covered by the report. The ONLY provision for an extension of the cost report due date is identified in 42 CFR 413.24(f)(2)(ii).

When you voluntarily or involuntarily cease to participate in the health insurance program or experience a change of ownership, a cost report is due no later than 150 days following the effective date or termination of your agreement or change of ownership.

Line 14.--Enter a number from the list below which indicates the type of ownership or auspices under which the SNF is conducted.

- |                                  |                                      |
|----------------------------------|--------------------------------------|
| 1 = Voluntary Nonprofit, Church  | 8 = Governmental, City-County        |
| 2 = Voluntary Nonprofit, Other * | 9 = Governmental, County             |
| 3 = Proprietary, Individual      | 10 = Governmental, State             |
| 4 = Proprietary, Corporation     | 11 = Governmental, Hospital District |
| 5 = Proprietary, Partnership     | 12 = Governmental, City              |
| 6 = Proprietary, Other *         | 13 = Governmental, Other *           |
| 7 = Governmental, Federal        |                                      |

\* Where an "other" item is selected, please specify on line 19.

Lines 15 through 18.--These lines provide for furnishing certain information concerning the provider. All applicable items must be completed.

Line 21.--Enter ONLY A, D, or E for the all-inclusive method, or leave it BLANK. Do not enter an "N". (See HCFA Pub 15-I, §2208.2.)

Lines 23 through 30.--These lines provide for furnishing certain information concerning depreciation. All applicable items must be completed. (See HCFA Pub. 15-I, chapter 1, regarding depreciation.)

Lines 23, 24, and 25.--Indicate, on the appropriate lines, the amount of depreciation claimed under each method of depreciation used by the SNF during the cost reporting period.

Line 26.--The total depreciation shown on this line may not equal the amount shown on lines 1 and/or 2 on the Trial Balance of Expenses Worksheet, but represents the amount of depreciation included in costs on Worksheet A, column 7.

Lines 29 through 32.--Indicate a "Yes" or "No" answer to each question on these lines.

Lines 33 through 44.--Indicate a "Yes" or "No" answer, where applicable, to each component and type of service that qualifies for the exception.

If you are a provider (public or non public) that qualifies for an exemption from the application of the lower of cost or charges (as explained in 42 CFR 413.13(f)), indicate the component and the appropriate services that qualify for this exemption. Subscript lines 35 through 40 as required for additional component(s).

Line 43.--Indicate whether the provider is licensed in a state that certifies the provider as an SNF as described on line 4 above, regardless of the level of care given for titles V and XIX patients.

Line 44.- This line is not used for cost reporting periods beginning on and after July 1, 1998. Indicate whether the provider participated in the NHCMQ demonstration during the cost reporting period. All NHCMQ demonstration participants must file Form HCFA 2540-96, including facilities reporting less than 1,500 program days which would otherwise be allowed to utilize the Form HCFA 2540S-97. Only facilities in Kansas, Maine, Mississippi, New York, South Dakota, and Texas are eligible to participate in the NHCMQ demonstration. This demonstration will not be applicable for cost reporting periods beginning on and after July 1, 1998. At that time all SNFs will be reimbursed under PPS.

Section 222 (a)(1) of P.L. 92-603 (42 U.S.C. Section 1395b-1, note) authorizes the Secretary of the Department of Health and Human Services to engage in experiments and demonstrations regarding alternative methods of making payment on a prospective basis to SNFs and other providers. Section 222 (a)(3) authorizes the Secretary to grant waivers of certain title XVIII requirements insofar as such requirements relate to methods of payment for services provided. Additional forms have been added to the SNF cost report to accommodate the NHCMQ demonstration project. Worksheet D-1 must be completed by a provider participating in the demonstration.

A provider participating in the NHCMQ demonstration, which otherwise is reimbursed by other than the Prospective Payment System and which indicates either an "O" or "N" on line 4, must complete Worksheet E, Part V in place of Worksheet E, Part I or Worksheet E, Part II.

Line 45.--List the total amount of malpractice premiums paid, (line 45.01) the total amount of paid losses, (line 45.02), and the total amount of self insurance, (line 45.03) allocated in this fiscal year.

Line 46.-- Indicate if malpractice premiums and paid losses are reported in other than the Administrative and General cost center. If yes, provide a supporting schedule and list the amounts applicable to each cost center.

Line 47 -- Are you claiming ambulance costs? Enter in column 1, "Y" for yes or "N" for no. If this is your first year of providing and reporting ambulance services, you are not subject to the payment limit. Enter in column 2, Y if this is your first year of providing ambulance service, or N if it is not.

Line 48 --If line 47 column 1 is Y, and column 2 is N, enter on line 48 column 1 the payment limit provided from your fiscal intermediary. If your fiscal year is OTHER than a year beginning on October 1st, enter in column 1 the payment limit for the period prior to October 1, and enter in column 2 the payment limit for the period beginning October 1st. The per trip rate is updated October 1st of each year.

Line 49 -- Did you operate an ICF/MR facility for the purposes of title XIX? Enter "Y" for yes and "N" for no.

Line 50. -- Did this facility report less than 1500 Medicare days in its previous year's cost report? Enter "Y" for yes or "N" for no.

Line 51. -- If line 50 is yes, did you file your previous year's cost report using the "simplified" step-down method of cost finding? (See §3500.) Enter "Y" for yes or "N" for no.

Line 52 -- Is this cost report being filed under 42 CFR 413.321, (the "simplified" cost report)? Enter "Y" for yes, or "N" for no.

## FACILITY HEALTH CARE COMPLEX STATISTICAL DATA

In accordance with 42 CFR 413.60(a), 42 CFR 413.24(a), and 42 CFR 413.40(c), you are required to maintain statistical records for proper determination of costs payable under the Medicare program. The statistics reported on this worksheet pertain to SNF, Nursing Facility, ICF/MR, Other Long Term Care Services, HHA, CORF, CMHC, and Hospice. The data to be maintained, depending on the services provided by the component, include the number of beds available, the number of admissions, the number of discharges, the average length of stay, the number of inpatient days, the bed days available, and full time equivalents (FTEs).

### Column Descriptions

Column 1--Enter on the appropriate line the beds available for use by patients at the end of the cost reporting period (SNF on line 1, Nursing Facility on line 3, ICF/MR on line 3.1, SNF-based Other Long Term Care Facility on line 4 or Hospice on line 8). Do not enter any data on line 2.

Column 2--Enter the total bed days available. Bed days are computed by multiplying the number of beds available throughout the period by the number of days in the reporting period. If there is an increase or decrease in the number of beds available during the period, multiply the number of beds available for each part of the cost reporting period by the number of days for which that number of beds was available.

Columns 3 through 6--Enter the number of inpatient days for each component by program.

Column 4--For fiscal years beginning on October 1st., enter on line 10 the number of ambulance trips, as defined by §4531(a)(1) of the BBA, provided for Medicare patients. If your fiscal year begins on a date other than October 1st, subscript line 10, to line 10.01. For cost reporting periods that overlap the October 1 date, enter on line 10 the trips prior to October 1 and enter on line 10.01 the number of trips after October 1.

Column 7--Enter the total number of inpatient days to include all classes of patients for each component.

Columns 8 through 11--Enter the number of discharges, including deaths (excluding newborn and DOAs), for each component by program. A patient discharge, including death, is a formal release of a patient. (See 42 CFR 412.4.)

Column 12--Enter the total number of discharges (including deaths) for all classes of patients for each component.

Columns 13 through 16--The average length of stay is calculated as follows:

- |    |                               |                               |
|----|-------------------------------|-------------------------------|
| a. | Column 13, lines 1 & 3        | Column 3 divided by column 8  |
| b. | Column 14, line 1             | Column 4 divided by column 9  |
| c. | Column 15, lines 1 & 3        | Column 5 divided by column 10 |
| d. | Column 16, lines 1, 3, 4, & 9 | Column 7 divided by column 12 |

**EXCEPTION:** Where the skilled nursing facility is located in a state that certifies the provider as an SNF regardless of the level of care given for titles V and XIX patients, combine the statistics on lines 1 and 3.

Columns 17 through 21--Enter the number of admissions (from your records) for each component by program.

Column 4.01--Enter the number of demonstration inpatient days applicable to each group associated with the rate in effect January 1 through the end of your fiscal year. Enter the total on line 46.

Add the amounts on line 46, columns 3.01 and 4.01, and enter the result on Worksheet E, Part V, line 2.

Column 5--Calculate the total for each revenue group by multiplying the rate by the days covered by that rate. Where you must report two rates and two sets of days for each group, multiply the rate in column 3 by the days in column 3.01. Multiply the second rate in column 4 by the days in column 4.01. For each line (group), add the product of column 3 multiplied by the 3.01 plus the product of columns 4 multiplied by 4.01, and enter the result in column 5 on the same line. Add lines 1 through 45, column 5, and enter the total on line 46. Transfer column 5, line 46, to Worksheet E, Part V, line 6.

3514.2 Part II- PPS Statistical Data.--Complete this part for cost reporting periods beginning on and after July 1, 1998. Use this part to report the Medicare days of the provider by RUG. The total on line 46 must agree with the amount on Worksheet S-3, column 4, line . This part has been revised with the issuance of Transmittal # 5. As of the issuance of Transmittal # 5, Part II has been replaced with Part III, and should not be completed.

3514.3 Part III - PPS Statistical Data.-- **Complete Part III for cost reporting periods beginning on or after July 1, 1998.** Use this part to report the Medicare days of the provider by RUG. **Do not use Part III for cost reporting periods ending on and after February 28, 2001.**

Transition Period.-- Indicate the applicable transition period. Your fiscal intermediary will provide you with this status. Example: If your cost report year begins on July 1, 1998, check the box for year number 1. For the next fiscal year beginning on July 1, 1999, check the box for year number 2. For the following fiscal year beginning on July 1, 2000, check the box for year number 3. For the last fiscal year in the transition period beginning on July 1, 2001, check the box for year number 4.

**EXCEPTION: THE TRANSITION PERIOD PAYMENT METHOD WILL NOT APPLY TO A SNF THAT (1) ELECTED FOR IMMEDIATE TRANSITION TO FEDERAL RATE UNDER SECTION 102 OF THE BALANCED BUDGET REFINEMENT ACT OF 1999, OR (2) FIRST RECEIVED MEDICARE PAYMENTS (INTERIM OR OTHERWISE) ON OR AFTER OCTOBER 1, 1995 UNDER PRESENT OR PREVIOUS OWNERSHIP. THESE FACILITIES WILL BE PAID BASED ON ONE HUNDRED PERCENT (100%) OF THE FEDERAL RATE.** Enter this rate in column 5.

For the first year of the provider's transition period, the PPS rate will be twenty-five percent (25%) of the Federal Case Mix Rate and seventy-five percent (75%) of the Facility Specific Rate. In the second year of the Provider's transition period, the PPS rate will be fifty percent (50%) of the Federal Case Mix Rate and fifty percent (50%) of the Facility Specific Rate. For the third year of the Provider's transition period, the PPS rate will be seventy-five percent (75%) of the Federal Case Mix Rate and twenty-five percent (25%) of the Facility Specific Rate. For the fourth and final year of the Provider's transition period, the PPS rate will be one hundred percent (100%) of the Federal Case Mix Rate. See columns 9 and 10 below.

Column 2-- Enter the Federal Specific Rate on each applicable RUG line.

Column 3-- Enter the Federal Case Mix rate applicable to each RUG for services from the beginning of the fiscal year through September 30.

Column 4.--Enter the number of days applicable to each RUG for services from the beginning of the fiscal year through September 30<sup>th</sup>.

Columns 5 and 5.01-- Enter in column 5 the Federal Case Mix (adjusted for the labor portion by the update factor specific to the provider's MSA) rate times 104 percent, applicable to each NON-High-Cost RUG for services from October 1, through the end of the fiscal year. Enter in column 5.01 the Federal Case Mix rate times 124 percent applicable to each High-Cost RUGs for services from October 1, through the end of the fiscal year.

Columns 6 and 6.01--Enter in column 6 the number of days applicable to ALL RUGs for services from October 1 through the end of the fiscal year. Enter in column 6.01 the number of days applicable to each High-Cost RUG for services from October 1 through the end of the fiscal year (This should be the same amount that is reported in column 5 for that RUG.)

The total on line 75, columns 4, and 6 must agree with the amount on Worksheet S-3, Part I, column 4, line 1.

Do not use columns 3 and 4 for a cost report period that begins on October 1. Report the applicable Federal Case Mix rates in column 5 for each NON-High-Cost RUG. Report Medicare days for ALL RUG's in column 6. Report the applicable High-Cost Rates in column 5.01, and the High-Cost Days in column 6.01. (This should be the same amount that is reported in column 5 for that RUG.)

Column 7--Multiply the rates in column 3 times the days in column 4. Round to zero places. Multiply the rates in column 3.01 times the days in column 4.01. Round to zero places. Multiply the rates in column 5 times the days in column 6. Round to zero places. Multiply the rates in column 5.01 times the days in column 6.01. Round to zero places. Add the results from column 4, 4.01, 6, and 6.01. Enter the combined total on each line. Round each line in column 7 to zero decimal places.

Column 8--Multiply the Facility Specific rate times the total program annual days (sum of columns 4, 4.01, and 6) for each RUG, and enter the product in column 8.

Columns 9--Multiply the Federal amount in column 7 times your transition period percentage. i.e. year # 1 is 25 percent year # 2 is 50 percent year # 3 is 75 percent, an year # 4 and forward is 100 percent. Enter the results on the appropriate line for each RUG. Enter the sum of lines 1 through 45 on line 75.

Column 10--Multiply the facility specific amount times the reciprocal percentage applied to the Federal rate, I.E. 75 percent, 50 percent, 25 percent, or 0 percent. Enter the result on the appropriate line for each RUG. Enter the sum of lines 1 through 45 on line 75. Add the amount in column 9, line 75, plus the amount in column 10, line 75, together, and transfer this total to Worksheet E, Part III, line 7.

#### SPECIAL INSTRUCTIONS TO CALCULATE THE INCREASE FOR CERTAIN HIGH COST PATIENTS, EFFECTIVE FOR SERVICES FURNISHED ON AND AFTER APRIL 1, 2000.

Section 101 of the Balanced Budget Refinement Act of 1999 (BBRA, P.L. 106-113, Appendix F) provides for a temporary, 20 percent increase in payment for 15 specified RUGs (listed below). The BBRA provides that this 20 percent increase becomes effective for services furnished beginning on April 1, 2000, and remains in effect until the date that HCFA implements a refined case-mix classification system.

The following is a list of the affected RUGs along with the corresponding line on Worksheet S-7, Part III.

<u>HIGH - COST RUGS</u>					
<u>RUG</u>	<u>Line #</u>	<u>RUG</u>	<u>Line #</u>	<u>RUG</u>	<u>Line #</u>
RHC	7	RMC	10	RMB	11
SE3	15	SE2	16	SE1	17
SSC	18	SSB	19	SSA	20
CC2	21	CC1	22	CB2	23
CB1	24	CA2	25	CA1	26

Subscript columns 3 and 4 of this worksheet to columns 3.01 and 4.01 respectively. Identify column 3.01 as “Federal Rate – High Cost Add-On”, (for services between April 1, 2000 and September 30, 2000). Identify column 4.01 as “Add-On Days” (for services between April 1, 2000 and September 30, 2000).

Enter in column 3.01 for each of the 15 lines identified above, 20 percent of the amount on the corresponding line in column 3. Enter in column 4.01 the days applicable to services, for the 15 lines listed above, from April 1, 2000 through September 30, 2000 or the end of the fiscal year. Where the fiscal year ends between April 2, 2000 and September 30, 2000 the provider should report in column 6.01 only the days applicable for April 1 through the end of the fiscal year. The days from the beginning of the next fiscal year through September 30, 2000 will be reported in column 4.01 of the subsequent cost report.

Section 101 of the BBRA also provides for an additional 4 percent increase in payment for ALL services furnished during fiscal years (FYs) 2001 and 2002. Therefore, for services furnished after September 30, 2000, and before October 1, 2002, columns 5 and 6 of this worksheet should be subscripted to columns 5.01 and 6.01, respectively. Identify column 5.01 as “Federal Rate – High Cost Add-On” (for services after September 30), and identify column 6.01 as “Add-On Days” (for services after September 30). Enter in column 5.01 for each line identified above, 20 percent of the Federal Case Mix Rate. Enter in column 6.01 the days applicable to services associated with the high cost RUGs (as listed above), from October 1, 2000 to the end of the provider’s fiscal year.

All of the RUG rates will be increased by 4 percent. Enter in column 5, the Federal Case Mix Rate times 104 percent.

**3514.4 Part IV - PPS Statistical Data Electronic Filing.-- Use Part IV for cost reporting periods ending on and after February 28, 2001. Use this part to report the Medicare days of the provider by RUG.**

#### Column Descriptions

Column 1--The case mix group designations are already entered in this column.

Column 2--The M3PI revenue code designations are already entered in this column.

Columns 3 and 4--Enter the rate assigned to the provider for each applicable RUG, and period. This rate is updated annually effective October 1. Providers with fiscal years other than October 1 to September 30 may have two rates to report. Enter the rate prior to October 1 in column 3 and the rate on or after October 1 in column 4. Providers with a fiscal year 10/01 to 09/30 use column 4 only. This Federal rate is adjusted for the labor portion by the update factor specific to the provider’s MSA. This update factor is reported on Worksheet S-2, line 3.2 columns 1 and 2.

Columns 3.01 and 4.01--Enter in column 3.01 the days, for each RUG, of the period before October 1 and in column 4.01 for the days on and after October 1. Enter the total on line 46.

Column 4.05--Do not complete this column.

Column 5--Multiply columns 3 and 4 times columns 3.01 and 4.01 (column 4 times column 4.01 for cost reporting periods beginning October 1) respectively, rounded to zero and add the two results. This becomes the Federal amount. Multiply the Federal amount by the appropriate transition period percentage, i.e. 25 percent, 50 percent, 75 percent, or 100 percent identified on Worksheet S-2 line 3.1, column 2. Add to the Federal amount the result of the calculation of (total days from columns 3.01 and 4.01 multiplied by the facility specific rate (that result rounded to zero) identified on worksheet S-2, line 3.1, column 1) times the reciprocal percentage applied to the Federal rate, i.e., 75 percent, 50 percent, 25 percent, or 0 percent. Enter the result on the appropriate line for each RUG. Enter the sum of lines 1 through 45 on line 46, and transfer this total to Worksheet E, Part III, line 7

### 3515 WORKSHEET S-8 - HOSPICE IDENTIFICATION DATA

In accordance with 42 CFR 418.310, hospice providers of service participating in the Medicare program are required to submit information for health care services rendered to Medicare beneficiaries. 42 CFR 413.20 requires cost reports from providers on an annual basis. The data submitted on the cost reports supports management of Federal programs. The statistics required on this worksheet pertain to a SNF-based hospice. Complete a separate Worksheet S-8 for each SNF-based hospice.

#### 3515.1 Part I-Enrollment Days Based on Level of Care.

Lines 1--4.--Enter on line 1 through 4 the enrollment days applicable to each type of care. Enrollment days are unduplicated days of care received by a hospice patient. A day is recorded for each day a hospice patient receives one of four types of care. Where a patient moves from one type of care to another, count only one day of care for that patient for the last type of care rendered. For line 5, an inpatient care day may be reported only where the hospice provides or arranges to provide the inpatient care.

For the purposes of the Medicare and Medicaid hospice programs, a patient electing hospice can receive only one of the following four types of care per day:

Line 1 -- Continuous Home Care Day - A continuous home care day is a day on which the hospice patient is not in an inpatient facility. A day consists of a minimum of 8 hours and a maximum of 24 hours of predominantly nursing care. Convert continuous home care hours into days so that a true accountability can be made of days provided by the hospice.

Line 2 -- Routine Home Care Day - A routine home care day is a day on which the hospice patient is at home and not receiving continuous home care.

Line 3 -- Inpatient Respite Care Day - An inpatient respite care day is a day on which the hospice patient receives care in an inpatient facility for respite care.

Line 4 -- General Inpatient Care Day - A general inpatient care day is a day on which the hospice patient receives care in an inpatient facility for pain control or acute or chronic symptom management which cannot be managed in other settings.

#### Column Descriptions

Column 1.--Enter only the unduplicated Medicare days applicable to the four types of care. Enter on line 5 the total unduplicated Medicare days.

Column 2.--Enter only the unduplicated Medicaid days applicable to the four types of care. Enter on line 5 the total unduplicated Medicaid days.

Column 3.--Enter only the unduplicated days applicable to the four types of care for all Medicare hospice patients residing in a skilled nursing facility. Enter on line 5 the total unduplicated days.

Column 4.--Enter only the unduplicated days applicable to the four types of care for all Medicaid hospice patients residing in a nursing facility. Enter on line 5 the total unduplicated days.

Column 5.--Enter in column 5 only the days applicable to the four types of care for all other non Medicare or non Medicaid hospice patients. Enter on line 5 the total unduplicated days.

Column 6.--Enter the total days for each type of care, (i.e., sum of columns 1, 2, and 5). The amount entered in column 6 line 5 represents the total days provided by the hospice.

**NOTE:** Convert continuous home care hours into days so that column 6 line 5 reflects the actual total number of days provided by the hospice.

3515.2 Part II --Census data

Line 6.--Enter on line 6 the total number of patients receiving hospice care within the cost reporting period for the appropriate payer source.

The total under this line equals the actual number of patients served during the cost reporting period for each program. Thus, if a patient's total stay overlapped two reporting periods, the stay is counted once in each reporting period. The patient who initially elects the hospice benefit, is discharged or revokes the benefit, and then elects the benefit again within a reporting period is considered to be a new admission with a new election and is counted twice.

A patient transferring from another hospice is considered to be a new admission and is included in the count. If a patient entered a hospice under a payer source other than Medicare and then subsequently elects Medicare hospice benefit, count the patient once for each pay source.

The difference between line 6 and line 9 is that line 6 equals the actual number of patients served during the reporting period for each program, whereas under line 9, patients are counted once, even if their stay overlaps more than one reporting period.

Line 7.--Enter the total title XVIII Unduplicated Continuous Care hours billable to Medicare. When computing the Unduplicated Continuous Care hours, count only one hour regardless of the number of services or therapies provided simultaneously within that hour.

Line 8.--Enter the average length of stay for the reporting period. Include only the days for which a hospice election was in effect. The average length of stay for patients with a payer source other than Medicare and Medicaid is not limited to the number of days under a hospice election.

The statistics for a patient who had periods of stay with the hospice under more than one program is included in the respective columns. For example, patient A enters the hospice under Medicare hospice benefit, stays 90 days, revokes the election for 70 days (and thus goes back into regular Medicare coverage), then reelects the Medicare hospice benefits for an additional 45 days, under a new benefit period and dies (patient B). Medicare patient C was in the program on the first day of the year and died on January 29 for a total length of stay of 29 days. Patient D was admitted with private insurance for 27 days, then their private insurance ended and Medicaid covered an additional 92 days. Patient E, with private insurance, received hospice care for 87 days. The average length of stay (LOS) (assuming these are the only patients the hospice served during the cost reporting period) is computed as follow:

Medicare Days (90 & 45 & 29) Patient (A, B & C)	164 days
Medicare Patients	/3
	----
Average LOS Medicare	54.67 Days
Medicaid Days Patient D (92)	92 Days
Medicaid Patient	1
Average LOS Medicaid	92 Days
Other Payments ( D & E)	2
Average LOS (Other)	54 Days
All Patients (90+45+29+92+87+27)	370 Days
Total number of patients	6
Average LOS for all patients	61.67 Days

Enter the hospice's average length of stay, without regard to payer source, in column 6, line 8.

Line 9.--Enter the unduplicated census count of the hospice for all patients initially admitted and filing an election statement with the hospice within a reporting period for the appropriate payer source. Do not include the number of patients receiving care under subsequent election periods (see HCFA Pub. 21 ' 204).

However, the patient who initially elects the hospice benefit, is discharged or revokes the benefits, and elects the benefit again within the reporting period is considered a new admission with each new election and is counted twice.

The total under this line equals the unduplicated number of patients served during the reporting period for each program. Thus, you do not include a patient if their stay was counted in a previous cost reporting period. If a patient enters a hospice source other than Medicare and subsequently becomes eligible for Medicare and elects the Medicare hospice benefit, then count that patient only once in the Medicare column, even though he/she may have had a period in another payer source prior to the Medicare election.

A patient transferring from another hospice is considered to be a new admission and is included in the count.

**3516. WORKSHEET A - RECLASSIFICATION AND ADJUSTMENT OF TRIAL BALANCE OF EXPENSES**

In accordance with 42 CFR 413.20, the methods of determining costs payable under title XVIII involve making use of data available from the institution's basic accounts, as usually maintained, to arrive at equitable and proper payment for services. Worksheet A provides for recording the trial balance of expense accounts from your accounting books and records. It also provides for the necessary reclassification and adjustments to certain accounts. The cost centers on this worksheet are listed in a manner which facilitates the transfer of the various cost center data to the cost finding worksheets (e.g., on Worksheets A, B, C, and D, the line numbers are consistent, and the total line is set at number 75). All of the cost centers listed do not apply to all providers using these forms. An "X" on the cost center line identifies ONLY those cost centers which may be used for the Simplified Method cost report.

Do not include on this worksheet items not claimed in the cost report because they conflict with the regulations, manuals, or instructions but which you wish nevertheless to claim and contest. Enter amounts on the appropriate settlement worksheet (Worksheet E, Part I, line 37; Worksheet E, Part II, line 29; Worksheet E, Part III, Part A, line 18, Part B, line 38; Worksheet H-6, Part II, line 23; Worksheet J-3, line 25; or Worksheet I-3, line 27).

If the cost elements of a cost center are separately maintained on your books, you must maintain a reconciliation of the costs per the accounting books and records to those on this worksheet. The reconciliation is subject to review by the intermediary.

Standard (i.e., preprinted) HCFA line numbers and cost center descriptions cannot be changed. If you need to use additional or different cost center descriptions, you may do so by adding additional lines to the cost report. When an added cost center description bears a logical relationship to a standard line description, the added label must be inserted immediately after the related standard line description. Identify the added line as a numeric (only) subscript of the immediately preceding line. That is, if two lines are added between lines 5 and 6, identify them as lines 5.01 and 5.02. If additional lines are added for general service cost centers, add corresponding columns for cost finding on Worksheets B, B-1, J-1, and K-5.

If you checked yes on Worksheet S-2, line 52, indicating that you wish to file this cost report under 42 CFR 413.321 (the simplified cost report method), certain cost centers on Worksheet A will not be used. Section 3504.2, step # 6 identifies the cost centers that will be allowed under this method. Worksheet A, Column C also identifies the cost centers that may be used under the Simplified Cost Reporting Method. Overhead cost centers, Nursing Administration, Central Supply, Pharmacy, Medical Records & Library, and Social Service are combined into one category, and is reported on line 9.

Submit the working trial balance of the facility with the cost report. A working trial balance is a listing of the balances of the accounts in the general ledger to which adjustments are appended in supplementary columns and used as a basic summary for financial statements.

Cost center coding is a methodology for standardizing the meaning of cost center labels as used by health care providers on the Medicare cost reports. Form HCFA 2540-96 provides for preprinted cost center descriptions on Worksheet A. The preprinted cost center labels are automatically coded by HCFA approved cost reporting software. These cost center descriptions are hereafter referred to as the standard cost centers. Nonstandard cost center descriptions have been identified through analysis of frequently used labels.

The use of this coding methodology allows providers to continue to use labels for cost centers that have meaning within the individual institution. The four digit cost center codes that are associated with each provider label in their electronic file provide standardized meaning for data analysis. You are required to compare any added or changed label to the descriptions offered on the standard or nonstandard cost center tables. (See Exhibit I.)

Columns 1, 2, and 3.--The expenses listed in these columns must be in accordance with your accounting books and records. List on the appropriate lines in columns 1, 2, and 3 the total expenses incurred during the cost reporting period. Detail the expense between salaries (column 1) and other than salaries (column 2). The sum of columns 1 and 2 must equal column 3. Record any needed reclassification and/or adjustments in columns 4 and 6, as appropriate.

Column 4.--Enter any reclassification among the cost center expenses in column 3 which are needed to effect proper cost allocation.

Worksheet A-6 reflects the reclassification affecting the cost center expenses. This worksheet need not be completed by all providers but must be completed only to the extent that the reclassification are needed and appropriate in the particular provider's circumstances. Show reductions to expenses in parentheses ().

The net total of the entries in column 4 must equal zero on line 75.

Column 5.--Adjust the amounts entered in column 3 by the amounts in column 4 (increase or decrease) and extend the net balances to column 5. The total of column 5 must equal the total of column 3 on line 75.

Column 6.--Enter on the appropriate lines in column 6 of Worksheet A the amounts of any adjustments to expenses indicated on Worksheet A-8, column 2. The total on Worksheet A, column 6, line 75 must equal Worksheet A-8, column 2, line 32.

Column 7.--Adjust the amounts in column 5 by the amounts in column 6 (increases or decreases) and extend the net balances to column 7. Transfer the amounts in column 7 to the appropriate lines on Worksheet B, Part I, column 0, or Worksheet B, Part III, column 0.

#### Line Descriptions

The trial balance of expenses is broken down into general service, inpatient routine service, ancillary service, outpatient service, other reimbursable, special purpose, and nonreimbursable cost center categories to facilitate the transfer of costs to the various worksheets. For example, the categories "Ancillary Cost Centers" and "Outpatient Cost Centers" appear on Worksheet D using the same line numbers as on Worksheet A.

**NOTE:** The category titles do not have line numbers. Only cost centers, data items, and totals have line numbers.

Lines 1 and 2.--These cost centers include depreciation, leases, and rentals for the use of facilities and/or equipment, interest incurred in acquiring land or depreciable assets used for patient care, insurance on depreciable assets used for patient care, and taxes on land or depreciable assets used for patient care. Do not include in these cost centers costs incurred for the repair or maintenance of equipment or facilities, amounts included in rentals or lease payments for repair and/or maintenance agreements, interest expense incurred to borrow working capital or for any purpose other than the acquisition of land or depreciable assets used for patient care, general liability insurance or any other form of insurance to provide protection other than the replacement of depreciable assets, or taxes other than those assessed on the basis of some valuation of land or depreciable assets used for patient care.

Transfer the totals in column 18:

From Worksheet B, Part I, Column 18

To Worksheet D-1, Line 5

Line 16, SNF

For SNF

Line 18, NF  
Sum of lines 16 and 18

For Titles V or XIX. For NF (when you answer "yes" to question on Wkst. S-2, line 43).

Line 18.1, ICF/MR

For Title XIX. For ICF/MR (when you answer Ayes@ to question on Wkst. S-2, line 49)

Transfer the direct SNF-based HHA costs in column 18, lines 37 through 47, to Worksheet H-4, Part I, column 1, lines as indicated.

Transfer the total SNF-based outpatient rehabilitation provider costs in column 18, line 50, to the applicable Worksheet J-1, Part I, column 0, line 18.

The non-reimbursable cost center totals, lines 58 through 63, are not transferred.

#### Column Descriptions

Column 1.--Depreciation on buildings and fixtures and expenses pertaining to buildings and fixtures such as insurance, interest, rent, and real estate taxes are combined in this cost center to facilitate cost allocation.

Column 2.--Providers that do not directly assign the depreciation on movable equipment and expenses pertaining to movable equipment such as insurance, interest, and rent as part of their normal accounting systems must accumulate the expenses in this cost center.

Column 4.--Allocate the administrative and general expenses on the basis of accumulated costs. Therefore, the amount entered on Worksheet B-1, column 4, line 4, is the difference between the amount on Worksheet B, Part I, column 4A and the amount entered on Worksheet B-1, column 4A.

A negative cost center balance in the statistics for allocating administrative and general expenses causes an improper distribution of this overhead cost center. Exclude negative balances from the allocation statistics.

### 3524.2 WORKSHEET B, PART III - COST ALLOCATION - GENERAL SERVICE COSTS AND WORKSHEET B-1, PART II - COST ALLOCATION - STATISTICAL BASIS (WITH LESS THAN 1500 MEDICARE DAYS)

Complete this worksheet **ONLY** if you answered yes on Worksheet S-2 question # 52. Worksheet B, Part III provides the allocation of the expenses of each general service cost center with **less than 1500 Medicare days** to those cost centers which receive the services. The total direct expenses are obtained from Worksheet A, column 7. The cost centers and line numbers are consistent with Worksheet A. Note that several lines from Worksheet A are not needed on Worksheets B, Part III and B-1, Part II.

The general service cost centers listed on Worksheet A, column 7, lines 1-9, are listed in the order they are combined on Worksheet B, Part III, columns 1, 2, 3, and 4, line 15.1.

<u>To Worksheet B, Part III</u>	<u>From Worksheet A, Column 7</u>
Column 1	Sum of lines 1, 2, 5, and 7 *
Column 2	Line 3
Column 3	Sum of lines 6, 8, and 9
Column 4	Line 4

\* Due to consolidation of HCFA 2540S-97 into HCFA 2540-96, Capital - Interest account replaced one of three accounts in HCFA 2540-96, which are Capital-Related Costs - Building & Fixture, Administrative and General, and Interest Expense.

Column 0, line 15.1 is the total of columns 1 through 4, line 15.1.

The amounts on Worksheet B, Part III, column 0, lines 16 through 33, 59, and 63 are transferred from Worksheet A, column 7, lines 16 through 33, 59, and 63.

Worksheet B-1, Part II provides for the proration of the statistical data with **less than 1500 Medicare days** needed to equitably allocate the expenses of the general service cost centers on Worksheet B, Part III.

The statistical basis shown at the top of each column on Worksheet B-1, Part II is the basis of allocation of the cost centers indicated. Total statistics indicated on Worksheet B-1, Part II line 71 refers to the sum of the statistics reported on lines 16 through 63 of Worksheet B-1, Part II. For the allocation of administrative and general costs in column 4, lines 16 through 63 are obtained from Worksheet B, Part III, sum of columns 0 through 3, lines 16 through 63.

If the amount of any combined cost center on Worksheet A, column 7 has a credit balance, this amount must be shown as a credit balance on Worksheet B, Part III, column 0. If a revenue producing cost center has a credit balance on Worksheet B, Part III, column 5, do not carry forward such credit balance to Worksheet C.

On Worksheet B-1, Part II, enter on line 71 in the column of the cost center group being allocated, the total statistical base (including accumulated cost for allocating administrative and general expenses) over which the expenses are allocated (e.g., for column 1, capital costs, enter on line 71 the total square feet of the building on which depreciation was taken).

For all cost centers to which the capital cost group are being allocated, enter that portion of the total statistical base applicable to each. The total sum of the statistical base applied to each cost center receiving the services rendered must equal the total base entered on line 71.

Enter on line 70 of Worksheet B-1, Part II, the total expenses of the cost centers to be allocated; they are obtained from Worksheet B, Part III, line 15.1, columns 1 through 4.

Divide the amount entered on line 70 by the total statistics entered on line 71. Enter the resulting unit cost multiplier on line 72. The unit cost multiplier must be rounded to six decimals.

Multiply the unit cost multiplier by the portion of the total statistics applicable to each cost center receiving the services rendered. Enter the result of each computation on Worksheet B, Part III in the corresponding column and line. (See \* 3500.1 for rounding standards)

After the unit cost multiplier has been applied to all the cost centers receiving the services rendered, the total cost (line 70) of all the cost centers receiving the allocation on Worksheet B, Part III must equal the amount entered on line 15.1. The preceding procedures must be performed for each general service cost center group. Each cost center group must be completed on both Worksheets B, Part III and B-1, Part II before proceeding to the next cost center group.

If a general service cost group (after combining centers) has a credit balance at the point it is to be allocated on Worksheet B, Part III, such general service costs must not be allocated. The statistic must be displayed departmentally, but not the unit cost multiplier which is calculated for line 72 on Worksheet B-1, Part II.

After the costs of the general service cost group have been allocated on Worksheet B, Part III, enter in column 5, the sum of the costs in columns 0 through 4 for lines 16 through 63. The total cost entered in column 5, line 75 must equal the total costs entered in column 0, line 75.

Transfer the totals on Worksheet B, Part III, column 5, lines 21 through 33 (ancillary service cost centers) to Worksheet C, column 1 lines 21 through 33.

The non-reimbursable cost center totals, lines 59 and 63, are not transferred.

**3525. WORKSHEET B, PART II - ALLOCATION OF CAPITAL-RELATED COSTS**

This worksheet provides for the determination of direct and indirect capital-related costs allocated to inpatient general routine services, special care, and ancillary services as well as to other cost centers. This worksheet is needed for the correct computation of limits on SNF inpatient general routine service costs and to provide HCFA with data on capital-related costs for program purposes.

Use this worksheet in conjunction with Worksheets B, Part I, and B-1. The format and allocation process employed are identical to that used on Worksheets B, Part I, and B-1.

Column 0.--If capital-related costs have been directly assigned to specific cost centers on Worksheet A, column 2, enter those amounts directly assigned from your records. If you include costs incurred by a related organization in your cost report, the portion of these costs that are capital-related costs are considered directly assigned capital-related costs of the applicable cost center. For example, a provider that is part of a chain organization includes some costs incurred by the home office of the chain organization in its administrative and general cost center. The amount so included representing capital-related cost is included in this column.

Columns 1 and 2.--The amounts entered in column 1, lines 3 through 63, are obtained from Worksheet B, Part I, column 1, lines 3 through 63. The amounts entered in column 2, lines 3 through 63, are obtained from Worksheet B, Part I, column 2, lines 3 through 63.

Enter on Worksheet B-1, line 68, for each cost center (column) the capital-related costs to be allocated. Report these costs on the first line of each column on Worksheet B, Part II. Complete a unit cost multiplier for each column by dividing the amount on line 68 of Worksheet B-1 by the statistic reported on the first line of the same column. Enter the unit cost multiplier on line 69 and round to six decimal places, e.g., .102589241 is rounded to .102589. The allocation process on Worksheet B, Part II, is identical to that used on Worksheets B, Part I, and B-1.

Multiply the unit cost multiplier by the portion of the total statistic applicable to each cost center. Enter the result of each computation on Worksheet B, Part II, in the corresponding column and line.

After the unit cost multiplier has been applied to all the cost centers, the total cost on Worksheet B, Part II, line 75, of all the cost centers receiving the allocation must equal the amount being allocated on the first line of the column. These procedures must be performed for each general service cost center. Each cost center must be completed on Worksheets B-1 and B, Part II, before proceeding to the next cost center.

Do not use line 20 on Worksheet B, Part II.

**3526. WORKSHEET B-2 - POST STEP DOWN ADJUSTMENTS**

This worksheet provides an explanation of the post Step down adjustment reported in column 17 of Worksheet B, Parts I and II.

Column Descriptions

Column 1.--Enter a brief description of the post Step down adjustment.

Column 2.--The post Step down adjustment may be made on Worksheet B, Parts I and II. Enter the appropriate part to which the post Step down adjustment applies.

Column 3.--Enter the Worksheet B line number to which the adjustment applies.

Column 4.--Enter the amount of the adjustment. Transfer these amounts to the applicable lines on Worksheet B, Parts I or II, column 17.

**NOTE:** If you have a SNF-based RHC/FQHC you must separate the cost of services provided on or after January 1, 1998 from the cost of services provided before January 1, 1998. Make a post step down adjustment on Worksheet B-2 to identify costs related to those services provided on or after January 1, 1998. These costs will then be allocated on Worksheets I-1 through I-4.

3527. **WORKSHEET C - RATIO OF COST TO CHARGES FOR ANCILLARY,  
OUTPATIENT COST CENTERS**

This worksheet computes the ratio of cost to charges for ancillary services and, for costs not subject to the outpatient capital reduction, the outpatient ratio of cost to charges. This ratio is used on Worksheet D.

Column 1.--Enter on each line the amount from the corresponding line of Worksheet B, Part I, column 18 or Worksheet B, Part III, column 5. Do not bring forward any cost center with a credit balance from Worksheet B, Part I, column 18 or Worksheet B, Part III, column 5. However, report the charges applicable to such cost centers with a credit balance in column 2 of the applicable line on Worksheet C.

Column 2.--Enter on each cost center line the total gross patient charges including charity care for that cost center. Include in the applicable cost centers items reimbursed on a fee schedule (e.g., DME, oxygen, prosthetics and orthotics). DME, oxygen, and orthotic and prosthetic devices (except for enteral and parental nutrients and intraocular lenses furnished by providers) are paid by the DMERC or the regional home health intermediary based on the lower of the supplier's actual charge or a fee schedule. Therefore, do not include Medicare charges applicable to these items in the Medicare charges reported on Worksheet D. However, include your standard customary charges for these items in total charges on Worksheet C. This is necessary to avoid the need to split your organizational cost centers such as medical supplies between those items paid on a fee basis and those items subject to cost reimbursement.

Column 3.--Divide the cost for each cost center in column 1 by the total charges for the cost center in column 2 to determine the ratio of total cost to total charges. Enter the resultant department ratios in this column. Round ratios to 6 decimal places.

Line 17.--Enter the Part B deductibles and coinsurance billed to Medicare beneficiaries. DO NOT INCLUDE deductibles or coinsurance billed to program patients for physicians' professional services.

Line 18.--Enter the amount from line 16 minus the amount on line 17.

Line 19.--Enter program reimbursable bad debts for deductibles and coinsurance for other services (from your records), excluding professional services and net of bad debt recoveries.

Line 20.--Enter the sum of the amounts on lines 18 and 19.

Line 21.--Enter the program's share of any recovery of excess depreciation applicable to prior years resulting from provider termination or a decrease in Medicare utilization. (See HCFA Pub. 15-I, §§136 through 136.16.)

Line 22.--Enter any other adjustments. For example, enter an adjustment resulting from changing the recording of vacation pay from cash basis to accrual basis. (See HCFA Pub. 15-I, §2146.4.) Specify the adjustment in the space provided.

Line 23.--Enter the program's share of any net depreciation adjustment applicable to prior years resulting from the gain or loss on the disposition of depreciable assets. (See HCFA Pub. 15-I, §§132 - 132.4.) Enter the amount in parentheses ( ) of any excess depreciation taken.

**NOTE:** Section 1861 (v) (1) (O) sets a limit on the valuation of a depreciable asset that may be recognized in establishing an appropriate allowance for depreciation, and for interest on capital indebtedness after a change of ownership that occurs on or after December 1, 1997.

Line 24.--Enter the sum of line 20, minus the amount on line 21, plus or minus the amounts on lines 22 and 23.

Line 27.--Enter interim payments from Worksheet E-1, column 4, line 4.

Line 28.--Enter the amount on line 26 minus the amount on line 27. Enter a negative amount in parentheses ( ). Transfer this amount to Worksheet S, Part II, column 3, line 1 or line 2, as applicable.

Line 29.--Enter the program reimbursement effect of protested items. Estimate the reimbursement effect of the nonallowable items by applying reasonable methodology which closely approximate the actual effect of the item as if it had been determined through the normal cost finding process. Attach a schedule showing the details and the computations for this line.

3534.3 Part III - SNF Reimbursement Under PPS.--Use this part to calculate reimbursement settlement under PPS for program services. For cost reporting periods beginning before July 1, 1998, use this part to calculate reimbursement settlement for Part A services to Medicare residents under the NHCMQ demonstration, Phase II and Phase III.

#### Part A Line Descriptions

**NOTE:** Do not make any entries on lines 1 through 6 if you are participating in the NHCMQ demonstration, Phase II and Phase III.

Line 1.--For cost reporting periods beginning before July 1, 1998, enter the cost of ancillary services furnished to inpatients for title XVIII, Part A, title V, and title XIX. Obtain this amount from Worksheet D, Part I, column 4, sum of lines 21 through 33.

For cost reporting periods beginning on and after July 1, 1998, enter the inpatient ancillary services applicable to Intern and Resident Part A cost, from Worksheet D, Part III, column 5 line 75.

Line 2.--No entries should be made on this line for cost reporting periods beginning before July 1, 1998. For cost reporting periods beginning on and after July 1, 1998, enter the sum of title XVIII Intern and Resident cost, from Worksheet D-1, Part II, line 5.

Line 4.--Report the charges applicable to the ancillary services here from Worksheet D, column 2, sum of lines 21 through 33. Do not complete this line for cost reporting periods beginning on and after July 1, 1998

Line 5.--Enter the intern and resident charges from the provider's records. Do not complete this line for cost reporting periods beginning on and after July 1, 1998

Line 7.--The amount entered is the number of program days multiplied by the appropriate prospective payment rate. For providers, with a cost reporting period beginning on and after July 1, 1998, enter on line 7 the amount from Worksheet S-7, Part III, sum of columns 9 and 10, line 75. **Providers with cost reporting periods ending on and after February 28, 2001 must enter the amount from Worksheet S-7, Part IV, column 5, line 46.**

Line 8.--Enter the amounts paid or payable by workmen's compensation and other primary payers where program liability is secondary to that of the primary payer. There are six situations under which Medicare payment is secondary to a primary payer:

1. Workmen's compensation,
2. No fault coverage,
3. General liability coverage,
4. Working aged provisions,
5. Disability provisions, and
6. Working ESRD beneficiary provisions.

Generally, when payment by the primary payer satisfies the liability of the program beneficiary, for cost reporting purposes, the services are considered to be non-program services. (The primary payment satisfies the beneficiary's liability when you accept that payment as payment in full. Note this on no-pay bills submitted in these situations.) The patient days and charges are included in total patient days and charges but are not included in program days and charges. In this situation, no primary payer payment is entered on line 8.

However, if the payment by the primary payer does not satisfy the beneficiary's obligation, the program pays (in situations 1, 2, and 3) the amount it otherwise pays (absent primary payer payment) less the primary payer payment and any deductible and coinsurance. In situations 1, 2, and 3, primary payer payment is not credited toward the beneficiary's deductibles and coinsurance. In situations 4 and 5, the program pays the lesser of (a) the amount it otherwise pays (without regard to the primary payer payment or deductible and coinsurance) less the primary payer payment; or (b) the amount it otherwise pays (without regard to primary payer payment or deductibles and coinsurance) less applicable deductible and coinsurance. In situations 4 and 5, primary payer payment is credited toward the beneficiary's deductible and coinsurance obligation.

If the primary payment does not satisfy the beneficiary's liability, include the covered days and charges in program days and charges and include the total days and charges in total days and charges for cost apportionment purposes. Enter the primary payer payment on line 8 to the extent that

### 3565. WORKSHEET K – ANALYSIS OF SNF BASED HOSPICE COST

In accordance with 42 CFR 413.20, the methods of determining costs payable under title XVIII involve making use of data available from the institution's basic accounts, as usually maintained, to arrive at equitable and proper payment for services. This worksheet provides for recording the trial balance of expense accounts from your accounting books and records. It also provides for reclassification and adjustments to certain accounts. The cost centers on this worksheet are listed in a manner which facilitates the transfer of the various cost center data to the cost finding worksheets (e.g., on Worksheets K, K-4, Parts I & II, the line numbers are consistent, and the total line is set at 34). Not all of the cost centers listed apply to all providers using these forms.

Column 1.--Obtain salaries to be reported from Worksheet K-1, column 9, line 3-34.

Column 2.--Obtain employee benefits to be reported from Worksheet K-2 column 9 lines 3-34.

Column 3.--If the transportation costs, i.e., owning or renting vehicles, public transportation expenses, or payments to employees for driving their private vehicles can be directly identified to a particular cost center, enter those costs in the appropriate cost center. If these costs are not identified to a particular cost center, enter them on line 6.

Column 4.--Obtain the contracted services to be reported from Worksheet K-3, column 9 lines 3-34.

Column 5.--Enter in the applicable lines in column 5 all costs which have not been reported in columns 1 through 4.

Column 6.--Add the amounts in columns 1 through 5 for each cost center and enter the total in column 6.

Column 7.--Enter any reclassifications among cost center expenses in column 6 which are needed to effect proper cost allocation. This column need not be completed by all providers, but is completed only to the extent reclassifications are needed and appropriate in the particular circumstances. Show reductions to expenses as negative amounts.

Column 8.--Adjust the amounts entered in column 6 by the amounts in column 7 (increases and decreases) and extend the net balances to column 8. The total of column 8 must equal the total of column 6 on line 34.

Column 9.--In accordance with 42 CFR 413ff, enter on the appropriate lines the amounts of any adjustments to expenses required under Medicare principles of reimbursements. (See ' 3519.)

Column 10.--Adjust the amounts in column 8 by the amounts in column 9, (increases or decreases) and extend the net balances to column 10.

Transfer the amount in column 10, line 1 through 34 to the corresponding lines on Worksheet K-4, Part I, column 0.

#### Line Description

Lines 1 and 2 -- Capital Related Cost - Buildings and Fixtures and Capital Related Cost -Movable Equipment.--These cost centers should include depreciation, leases and rentals for the use of the facilities and/or equipment, interest incurred in acquiring land and depreciable assets used for patient care, insurance on depreciable assets used for patient care, and taxes on land or depreciable assets used for patient care.

Do not include in these cost centers the following costs: costs incurred for the repair or maintenance of equipment or facilities; amounts included in the rentals or lease or lease payments for repair and/or maintenance agreements; interest expense incurred to borrow working capital or for any purpose other than the acquisition of land or depreciable assets used for patient care; general liability insurance or any other form of insurance to provide protection other than the replacement of depreciable assets; or taxes other than those assessed on the basis of some valuation of land or depreciable assets used for patient care.

Line 3 - Plant Operation and Maintenance.--This cost center contains the direct expenses incurred in the operation and maintenance of the plant and equipment, maintaining general cleanliness and sanitation of plant, and protecting the employees, visitors, and agency property.

Plant Operation and Maintenance include the maintenance and service of utility systems such as heat, light, water, air conditioning and air treatment. This cost center also includes the cost of maintenance and repair of building, parking facilities and equipment, painting, elevator maintenance, performance of minor renovation of buildings, and equipment. The maintenance of grounds such as landscape and paved areas, streets on the property, sidewalk, fenced areas, fencing, external recreation areas and parking facilities are part of this cost center. The care or cleaning of the interior physical plant, including the care of floors, walls, ceilings, partitions, windows (inside and outside), fixtures and furnishings, and emptying of trash containers, as well as the costs of similar services purchased from an outside organization which maintains the safety and well-being of personnel, visitors and the provider's facilities, are all included in this cost center.

Line 4 - Transportation-Staff.--Enter all of the cost of transportation except those costs previously directly assigned in column 3. This cost is allocated during the cost finding process.

Line 5 - Volunteer Service Coordination.--Enter all of the cost associated with the coordination of service volunteers. This includes recruitment and training costs.

Line 6 - Administrative and General.--Use this cost center to record expenses of several costs which benefit the entire facility. Examples include fiscal services, legal services, accounting, data processing, taxes, and malpractice costs.

Line 7 - Inpatient - General Care.--This cost center includes costs applicable to patients who receive this level of care because their condition is such that they can no longer be maintained at home. Generally, they require pain control or management of acute and severe clinical problems which cannot be managed in other settings. The costs incurred on this line are those direct costs of furnishing routine and ancillary services associated with inpatient general care for which other provisions are not made on this worksheet.

Costs incurred by a hospice in furnishing direct patient care services to patients receiving general inpatient care either directly from the hospice or under a contractual arrangement in an inpatient facility is to be included in the visiting service costs section.

For a hospice that maintains its own inpatient beds, these costs include (but are not limited to) the costs of furnishing 24 hours nursing care within the facility, patient meals, laundry and linen services, and housekeeping. Plant operation and maintenance cost is recorded on line 3.

For a hospice that does not maintain its own inpatient beds, but furnishes inpatient general care through a contractual arrangement with another facility, record contracted/purchased costs on Worksheet K-3. Do not include any costs associated with providing direct patient care. These costs are recorded in the visiting services section.

Line 8 - Inpatient - Respite Care.--This cost center includes costs applicable to patients who receive this level of care on an intermittent, nonroutine, and occasional basis. The costs included on this line are those direct costs of furnishing routine and ancillary services associated with inpatient respite care for which other provisions are not made on this worksheet. Costs incurred by the hospice in furnishing direct patient care services to patients receiving inpatient respite care either directly by the hospice or under a contractual arrangement in an inpatient facility are to be included in visiting service costs section.

For a hospice that maintains its own inpatient beds, these costs include (but are not limited to) the costs of furnishing 24 hours nursing care within the facility, patient meals, laundry and linen services and housekeeping. Plant operation and maintenance costs are recorded on line 3.

For a hospice that does not maintain its own inpatient beds, but furnishes inpatient respite care through a contractual arrangement with another facility, record contracted/purchased costs on Worksheet K-3. Do not include any costs associated with providing direct patient care. These costs are recorded in the visiting service costs section.

Line 9 - Physician Services.--In addition to the palliation and management of terminal illness and related conditions, hospice physician services also include meeting the general medical needs of the patients to the extent that these needs are not met by the attending physician. The amount entered on this line includes costs incurred by the hospice or amounts billed through the hospice for physicians direct patient care services.

Line 10 - Nursing Care .--Generally, nursing services are provided as specified in the plan of care by or under the supervision of a registered nurse at the patient's residence.

Line 11 - Physical Therapy.--Physical therapy is the provision of physical or corrective treatment of bodily or mental conditions by the use of physical, chemical, and other properties of heat, light, water, electricity, sound massage, and therapeutic exercise by or under the direction of a registered physical therapist as prescribed by a physician. Therapy and speech-language pathology services may be provided for purposes of symptom control or to enable the individual to maintain activities of daily living and basic functional skills.

Line 12 - Occupational Therapy.--Occupational therapy is the application of purposeful goal-oriented activity in the evaluation, diagnostic, for the persons whose function is impaired by physical illness or injury, emotional disorder, congenital or developmental disability, and to maintain health. Therapy and speech-language pathology services may be provided for purposes of symptom control or to enable the individual to maintain activities of daily living and basic functional skills.

Line 13 - Speech/Language Pathology .--These are physician-prescribed services provided by or under the direction of a qualified speech-language pathologist to those with functionally impaired communications skills. This includes the evaluation and management of any existing disorders of the communication process centering entirely, or in part, on the reception and production of speech and language related to organic and/or nonorganic factors. Therapy and speech-language pathology services may be provided for purposes of symptom control or to enable the individual to maintain activities of daily living and basic functional skills.

Line 14 - Medical Social Services.--This cost center includes only direct expenses incurred in providing Medical Social Services. Medical Social Services consist of counseling and assessment activities which contribute meaningfully to the treatment of a patient's condition. These services must be provided by a qualified social worker under the direction of a physician.

Lines 15-17 - Counseling.--Counseling Services must be available to both the terminally ill individual and family members or other persons caring for the individual at home. Counseling, including dietary counseling, may be provided both for the purpose of training the individual's family or other care giver to provide care, and for the purpose of helping the individual and those caring for him or her to adjust to the individual's approaching death. This includes dietary, spiritual, and other counseling services provided while the individual is enrolled in the hospice. Costs associated with such counseling are accumulated in the appropriate counseling cost center. Costs associated with bereavement counseling are recorded on line 30.

Line 18 - Home Health Aide and Homemaker. --Enter the cost of a home health aide and homemaker services. Home health aide services are provided under the general supervision of a registered professional nurse and may be provided by only individuals who have successfully completed a home health aide training and competency evaluation program or competency evaluation program as required in 42 CFR 484.36.

Home health aides may provide personal care services. Aides may also perform household services to maintain a safe and sanitary environment in areas of the home used by the patient, such as changing the bed or light cleaning and laundering essential to the comfort and cleanliness of the patient.

Homemaker services may include assistance in personal care, maintenance of a safe and healthy environment, and services to enable the individual to carry out the plan of care.

Line 19 - Other.-- Enter on this line any other visiting cost which cannot be appropriately identified in the services already listed.

Line 20 - Drugs, Biological and Infusion Therapy.-- Only drugs as defined in §1861(t) of the Act and which are used primarily for the relief of pain and symptom control related to the individual's terminal illness are covered. The amount entered on this line includes costs incurred for drugs or biologicals provided to the patients while at home. If a pharmacist dispenses prescriptions and provides other services to patients while the patient is both at home and in an inpatient unit, a reasonable allocation of the pharmacist cost must be made and reported respectively on line 20 (Drugs and Biologicals) and line 7 (Inpatient General Care) or line 8 (Inpatient Respite Care) of Worksheet K.

A hospice may, for example, use the number of prescriptions provided in each setting to make that allocation, or may use any other method that results in a reasonable allocation of the pharmacist's cost in relation to the service rendered.

Infusion therapy may be used for palliative purposes if you determine that these services are needed for palliation. For the purposes of a hospice, infusion therapy is considered to be the therapeutic introduction of a fluid other than blood, such as saline solution, into a vein.

Line 21 - Durable Medical Equipment/Oxygen.--Durable medical equipment as defined in 42 CFR 410.38 as well as other self-help and personal comfort items related to the palliation or management of the patient's terminal illness are covered. Equipment is provided by the hospice for use in the patient's home while he or she is under hospice care.

Line 22 - Patient Transportation.--Enter all of the cost of transportation except those costs previously directly assigned in column 3. This cost is allocated during the cost finding process.

Line 23 - Imaging Services.--Enter the cost of imaging services including MRU.

Line 24 - Labs and Diagnostics.--Enter the cost of laboratory and diagnostic tests.

Line 25 - Medical Supplies.--The cost of medical supplies reported in this cost center are those costs which are directly identifiable supplies furnished to individual patients.

These supplies are generally specified in the patient's plan of treatment and furnished under the specific direction of the patient's physician.

Line 26 - Outpatient Services .--Use this line for any outpatient services costs not captured elsewhere. This cost can include the cost of an emergency room department.

Lines 27-28 - Radiation Therapy and Chemotherapy.--Radiation, chemotherapy, and other modalities may be used for palliative purposes if you determine that these services are needed for palliation. This determination is based on the patient's condition and your care giving philosophy.

Line 29 - Other (Specify).--Enter any additional costs involved in providing visiting services which have not been provided for in the previous lines.

Lines 30-33 - Non Reimbursable Costs.--Enter in the appropriate lines the applicable costs. Bereavement program costs consists of counseling services provided to the individual's family after the individual's death. In accordance with §1814 (I)(1) (A) of the Social Security Act, bereavement counseling is a required hospice service, but it is not reimbursable.

Line 34 - Total.--Line 34 column 10, must agree with Worksheet A, line 55, column 7.

#### 3566. WORKSHEET K-1--HOSPICE COMPENSATION ANALYSIS SALARIES AND WAGES

Enter all salaries and wages for the hospice on this worksheet for the actual work performed within the specific area or cost center in accordance with the column headings. For example, if the administrator also performs visiting services which account for 55 percent of that person's time, then enter 45 percent of the administrator's salary on line 6 (A&G) and 55 percent of the administrator's salary enter on line 10 (Nursing Care).

The records necessary to determine the split in salary between two or more cost centers must be maintained by the hospice and must adequately substantiate the method used to split the salary. These records must be available for audit by the intermediary, and the intermediary can accept or reject the method used to determine the split in salary. When approval of a method has been requested in writing and this approval has been received prior to the beginning of a cost reporting period, the approved method remains in effect for the requested period and all subsequent periods until you request in writing to change to another method or until the intermediary determines that the method is no longer valid due to changes in your operations.

#### Definitions

Salary.--This is gross salary paid to the employee before taxes and other items are withheld, including deferred compensation, overtime, incentive pay, and bonuses. (See HCFA Pub. 15-I, Chapter 21.)

Administrator (Column 1).--

Possible Titles: President, Chief Executive Officer.

Duties: This position is the highest occupational level in the agency. This individual is the chief management official in the agency. The administrator develops and guides the organization by taking responsibility for planning, organizing, implementing, and evaluating. The administrator is responsible for the application and implementation of established policies. The administrator may act as a liaison among the governing body, the medical staff, and any departments. The administrator provides for personnel policies and practices that adequately support sound patient care and maintains accurate and complete personnel records. The administrator implements the control and effective utilization of the physical and financial resources of the provider.

Director (Column 2).--

Possible Titles: Medical Director, Director of Nursing, or Executive Director

Duties: The medical director is responsible for helping to establish and assure that the quality of medical care is appraised and maintained. This individual advises the chief executive officer on medical and administrative problems and investigates and studies new developments in medical practices and techniques.

The nursing director is responsible for establishing the objectives for the department of nursing. This individual administers the department of nursing and directs and delegates management of professional and ancillary nursing personnel.

Medical Social Worker (Column 3).--This individual is a person who has at least a bachelor's degree from a school accredited or approved by the council of social work education. These services must be under the direction of a physician and must be provided by a qualified social worker.

Supervisors (Column 4).--Employees in this classification are primarily involved in the direction, supervision, and coordination of the hospice activities.

When a supervisor performs two or more functions, e.g., supervision of nurses and home health aides, the salaries and wages must be split in proportion with the percentage of the supervisor's time spent in each cost center, provided the hospice maintains the proper records (continuous time records) to support the split. If continuous time records are not maintained by the hospice, enter the entire salary of the supervisor on line 6 (A&G) and allocate to all cost centers through step-down. However, if the supervisor's salary is all lumped in one cost center, e.g., nursing care, and the supervisor's title coincides with this cost center, e.g., nursing supervisor, no adjustment is required.

Total Therapists (Column 6).--Include in column 6, on the line indicated, the cost attributable to the following services:

Physical therapy	-	line 11
Occupational therapy	-	line 12
Speech pathology	-	line 13

Therapy and speech-language pathology may be provided to control symptoms or to enable the individual to maintain activities of daily living and basic functional skill.

Physical therapy is the provision of physical or corrective treatment of bodily or mental conditions by the use of physical, chemical, and other properties of heat, light, water, electricity, sound, massage, and therapeutic exercise by or under the direction of a registered physical therapist as prescribed by a physician.

Occupational therapy is the application of purposeful, goal-oriented activity in the evaluation, diagnosis, and/or treatment of persons whose ability to work is impaired by physical illness or injury, emotional disorder, congenital or developmental disability, or the aging process, in order to achieve optimum functioning, to prevent disability, and to maintain health.

Speech-language pathology is the provision of services to persons with impaired functional communications skills by or under the direction of a qualified speech-language pathologist as prescribed by a physician. This includes the evaluation and management of any existing disorders of the communication process centering entirely, or in part, on the reception and production of speech and language related to organic and/or nonorganic factors.

Aides (Column 7).--Included in this classification are specially trained personnel employed for providing personal care services to patients. These employees are subject to Federal wage and hour laws. This function is performed by specially trained personnel who assist individuals in carrying out physician instructions and established plans of care. The reason for the home health aide services must be to provide hands-on personal care services under the supervision of a registered professional nurse.

Aides may provide personal care services and household services to maintain a safe and sanitary environment in areas of the home used by the patient, such as changing the bed or light cleaning and laundering essential to the comfort and cleanliness of the patient. Additional services include, but are not limited to, assisting the patient with activities of daily living.

All Other (Column 8). -- Employees in this classification are those not included in columns 1 - 7. Included in this classification are dietary, spiritual, and other counselors. Counseling Services must be available to both the terminally ill individual and the family members or other persons caring for the individual at home. Counseling, including dietary counseling, may be provided both for the purpose of training the individual's family or other care giver to provide care, and for the purpose of helping the individual and those caring for him or her to adjust to the individual's approaching death. This includes dietary, spiritual and other counseling services provided while the individual is enrolled in the hospice.

Total (Column 9).--Add the amounts of each cost center, columns 1 through 8, and enter the total in column 9. Transfer these totals to Worksheet K, column 1, lines as applicable. To facilitate transferring amounts from Worksheet K-1 to Worksheet K, the same cost centers with corresponding line numbers are listed on both worksheets. Not all of the cost centers are applicable to all agencies. Therefore, use only those cost centers applicable to your hospice.

### 3567. WORKSHEET K-2 – HOSPICE COMPENSATION ANALYSIS - EMPLOYEE BENEFITS (PAYROLL RELATED)

Enter all payroll-related employee benefits for the hospice on this worksheet. See HCFA Pub. 15-I, Chapter 20, for a definition of fringe benefits. Use the same basis as that used for reporting salaries and wages on Worksheet K-1. Therefore, using the same example as given for Worksheet K-1, enter 45 percent of the administrator's payroll-related fringe benefits on line 6 (A&G) and enter 55 percent of the administrator's payroll-related fringe benefits on line 10 (Nursing Care). Payroll-related employee benefits must be reported in the cost center in which the applicable employee's compensation is reported.

This assignment can be performed on an actual basis or the following basis:

- FICA - actual expense by cost center;
- Pension, retirement, and health insurance (nonunion) (gross salaries of participating individuals by cost center);

- Union health and welfare (gross salaries of participating union members by cost center); or
- All other payroll-related benefits (gross salaries by cost center). Include non payroll- related employee benefits in the A&G cost center, e.g., cost for personal education, recreation activities, and day care.

Add the amounts of each cost center, columns 1 through 8, and enter the total in column 9. Transfer these totals to Worksheet K, column 2, corresponding lines. To facilitate transferring amounts from Worksheet K-2 to Worksheet K, the same cost centers with corresponding line numbers are listed on both worksheets.

### 3568. WORKSHEET K-3 –HOSPICE COMPENSATION ANALYSIS - CONTRACTED SERVICES/PURCHASED SERVICES

The hospice may contract with another entity to provide non-core hospice services. However, nursing care, medical social services and counseling are core hospice services and must routinely be provided directly by hospice employees. Supplemental services may be contracted in order to meet unusual staffing needs that cannot be anticipated and that occur so infrequently it would not be practical to hire additional staff to fill these needs. You may also contract to obtain physician specialty services. If contracting is used for any services, maintain professional, financial, and administrative responsibility for the services and assure that all staff meet the regulatory qualification requirements.

Enter on this worksheet all contracted and/or purchased services for the hospice. Enter the contracted/purchased cost on the appropriate cost center line within the column heading which best describes the type of services purchased. Costs associated with contracting for general inpatient or respite care would be recorded on this worksheet. For example, where physical therapy services are purchased, enter the contract cost of the therapist in column 6, line 11. If a contracted/purchased service covers more than one cost center, then the amount applicable to each cost center is included on each affected cost center line. Add the amounts of each cost center, columns 1 through 8, and enter the total in column 9. Transfer these totals to Worksheet K, column 4, corresponding lines. To facilitate transferring amounts from Worksheet K-3 to Worksheet K, the same cost centers with corresponding line numbers are listed on both worksheets.

### 3569. WORKSHEET K-4, PART I - COST ALLOCATION –HOSPICE GENERAL SERVICE COST AND WORKSHEET K-4, PART II- COST ALLOCATION - HOSPICE STATISTICAL BASIS

Worksheet K-4 provides for the allocation of the expenses of each general service cost center to those cost centers which receive the services. The cost centers serviced by the general service cost centers include all cost centers within the provider organization, i.e., other general service cost centers, reimbursable cost centers, and nonreimbursable cost centers. Obtain the total direct expenses from Worksheet K, column 10. To facilitate transferring amounts from Worksheet K to Worksheet K-4, Part I, the same cost centers with corresponding line numbers (lines 1 through 34) are listed on both worksheets.

Worksheet K-4, Part II, provides for the proration of the statistical data needed to equitably allocate the expenses of the general service cost centers on Worksheet K-4, Part I.

To facilitate the allocation process, the general format of Parts I & II are identical. The column and line numbers for each general service cost center are identical on the two worksheets. In addition, the line numbers for each general, reimbursable, nonreimbursable, and special purpose cost center are identical on the two worksheets. The cost centers and line numbers are also consistent with Worksheets K, K-1, K-2, and K-3. If the provider has subscribed any lines on these K worksheets, the provider must subscript the same lines on Worksheet K-4, Part I.

**NOTE:** General service columns 1 through 5 and subscripts thereof must be consistent on Worksheets K-4, Parts I & II.

The statistical bases shown at the top of each column on Part II are the recommended bases of allocation of the cost centers indicated. If a different basis of allocation is used, the provider must indicate the basis of allocation actually used at the top of the column.

Most cost centers are allocated on different statistical bases. However, for those cost centers where the basis is the same (e.g., square feet), the total statistical base over which the costs are to be allocated will differ because of the prior elimination of cost centers that have been closed.

Close the general service cost centers in accordance with 42 CFR 413.24(d)(1) which states, in part, that “the cost of the nonrevenue-producing cost center serving the greatest number of other centers, while receiving benefits from the least number of centers, is apportioned first.” This is clarified in HCFA Pub. 15-I, §2306.1 which further clarifies the order of allocation for step down purposes. Consequently, first close those cost centers that render the most services to and receive the least services from other cost centers. The cost centers are listed in this sequence from left to right on the worksheet. However, the circumstances of an agency may be such that a more accurate result is obtained by allocating to certain cost centers in a sequence different from that followed on these worksheets.

**NOTE:** A change in order of allocation and/or allocation statistics is appropriate for the current fiscal year cost if received by the intermediary in writing within 90 days prior to the end of that fiscal year. The intermediary has 60 days to make a decision or the change is automatically accepted. The change must be shown to more accurately allocate the overhead or, if the allocation is accurate, it must be changed due to simplification of maintaining the statistics. If a change in statistics is made, the provider must maintain both sets of statistics until an approval is made. If both sets are not maintained and the request is denied, the provider reverts back to the previously approved methodology. The provider must include with the request all supporting documentation and a thorough explanation of why the alternative approach must be used. (See HCFA Pub. 15-I, §2313.)

If the amount of any cost center on Worksheet K, column 10, has a credit balance, show this amount as a credit balance on Worksheet K-4, Part I column 0. Allocate the costs from the applicable overhead cost centers in the normal manner to the cost center showing a credit balance. After receiving costs from the applicable overhead cost centers, if a general service cost center has a credit balance at the point it is allocated, do not allocate the general service cost center. Rather, enter the credit balance on the first line of the column and on line 34. This enables column 6, line 34, to cross foot to columns 0 and 5A, line 34. After receiving costs from the applicable overhead cost centers, if a revenue producing cost center has a credit balance on Worksheet K-4, Part I, column 6, do not carry forward a credit balance to any worksheet.

On Worksheet K-4, Part II, enter on the first line in the column of the cost center the total statistics applicable to the cost center being allocated (e.g., in column 1, capital-related cost - buildings and fixtures, enter on line 1 the total square feet of the building on which depreciation was taken). Use accumulated cost for allocating administrative and general expenses.

Such statistical base does not include any statistics related to services furnished under arrangements except where both Medicare and non-Medicare costs of arranged-for services are recorded in your records.

For all cost centers (below the cost center being allocated) to which the service rendered is being allocated, enter that portion of the total statistical base applicable to each.

The total sum of the statistical base applied to each cost center receiving the services rendered must equal the total statistics entered on the first line.

Enter on Worksheet K-4, Part II line 34, the total expenses of the cost center to be allocated. Obtain this amount from Worksheet K-4, Part I from the same column and line number of the same column. In the case of capital-related costs - buildings and fixtures, this amount is on Worksheet K-4, Part I, column 1, line 1.

Divide the amount entered on line 34 by the total statistical base entered in the same column on the first line. Enter the resulting unit cost multiplier on line 35. Round the unit cost multiplier to at least the nearest six decimal places. Multiply the unit cost multiplier by that portion of the total statistical base applicable to each cost center receiving the services rendered. Enter the result of each computation on Worksheet K-4, Part I in the corresponding column and line.

After the unit cost multiplier has been applied to all the cost centers receiving costs, the total expenses (line 34) of all of the cost centers receiving the allocation on Worksheet K-4, Part I, must equal the amount entered on the first line of the cost center being allocated.

The preceding procedures must be performed for each general service cost center. Each cost center must be completed on both Worksheets K-4, Part I & II before proceeding to the next cost center.

After all the costs of the general service cost centers have been allocated on Worksheet K-4, Part I, enter in column 7 the sum of the expenses on lines 7 through 33. The total expenses entered in column 7, line 34, must equal the total expenses entered in column 0, line 34.

#### Column Descriptions

Column 1.--Depreciation on buildings and fixtures and expenses pertaining to buildings and fixtures such as insurance, interest, rent, and real estate taxes are combined in this cost center to facilitate cost allocation.

Allocate all expenses to the cost centers on the basis of square feet of area occupied. The square footage may be weighted if the person who occupies a certain area of space spends their time in more than one function. For example, if a person spends 10 percent of time in one function, 20 percent in another function, and 70 percent in still another function, the square footage may be weighted according to the percentages of 10 percent, 20 percent, and 70 percent to the applicable functions.

Column 2.--Allocate all expenses (e.g., interest or personal property tax) for movable equipment to the appropriate cost centers on the basis of square feet of area occupied or dollar value.

Column 4.--The cost of vehicles owned or rented by the agency and all other transportation costs which were not directly assigned to another cost center on Worksheet K, column 3, is included in this cost center. Allocate this expense to the cost centers to which it applies on the basis of miles applicable to each cost center.

This basis of allocation is not mandatory and a provider may use weighted trips rather than actual miles as a basis of allocation for transportation costs which are not directly assigned. However, a hospice must request the use of the alternative method in accordance with HCFA Pub. 15-I, §2313. The hospice must maintain adequate records to substantiate the use of this allocation.

Column 6.--The A&G expenses are allocated on the basis of accumulated costs after reclassifications and adjustments.

Therefore, obtain the amounts to be entered on Worksheet K-4, Part II, column 6, from Worksheet K-4, Part I, columns 0 through 5.

A negative cost center balance in the statistics for allocating A&G expenses causes an improper distribution of this overhead cost center. Negative balances are excluded from the allocation statistics when A&G expenses are allocated on the basis of accumulated cost.

A&G costs applicable to contracted services may be excluded from the total cost (Worksheet K-4, Part I, column 0) for purposes of determining the basis of allocation (Worksheet K-4, Part II, column 5) of the A&G costs. This procedure may be followed when the hospice contracts for services to be performed for the hospice and the contract identifies the A&G costs applicable to the purchased services.

The contracted A&G costs must be added back to the applicable cost center after allocation of the hospice A&G cost before the reimbursable costs are transferred to Worksheet K-5. A separate worksheet must be included to display the breakout of the contracted A&G costs from the applicable cost centers before allocation and the adding back of these costs after allocation. Intermediary approval does not have to be secured in order to use the above described method of cost finding for A&G.

Worksheet K-4, Part II, Column 6A.--Enter the costs attributable to the difference between the total accumulated cost reported on Worksheet K-4, column 5A, line 34 and the accumulated cost reported on Worksheet K-4, Part II, column 6, line 6. Enter any amounts reported on Worksheet K-4, column 5A for (1) any service provided under arrangements to program patients that is not grossed up, and (2) negative balances. Including these costs in the statistics for allocating administrative and general expenses causes an improper distribution of overhead.

In addition, report on line 6 the administrative and general costs reported on Worksheet K-4, column 6, line 6 since these costs are not included on Worksheet K-4, Part II, column 6 as an accumulated cost statistic.

For fragmented or componentized A&G cost centers, the accumulated cost center line number must match the reconciliation column number. Include in the column number the alpha character "A", i.e., if the accumulated cost center for A&G is line 6 (A&G), the reconciliation column designation must be 6A.

Worksheet K-4, Part II, Column 6.--The administrative and general expenses are allocated on the basis of accumulated costs. Therefore, the amount entered on Worksheet K-4, Part II, column 6, line 6, is the difference between the amounts entered on Worksheet K-4, column 5A and Worksheet K-4, Part II, column 6A. A negative cost center balance in the statistics for allocating administrative and general expenses causes an improper distribution of this overhead cost center. Exclude negative balances from the allocation statistics.

Hospices wishing to use an alternative allocation method (i.e., a change in allocation basis or the sequence of cost center allocation) must do so in accordance with HCFA Pub. 15-I, §2313. The fragmentation of A&G costs constitutes a direct assignment of A&G costs and as such must follow the policy established under §2307 of HCFA Pub. 15-I

**3570. WORKSHEET K-5 - ALLOCATION OF GENERAL SERVICE COSTS TO HOSPICE COST CENTERS**

Use this worksheet only if you operate a certified SNF-based Hospice as part of your complex. If you have more than one SNF-based Hospice, complete a separate worksheet for each facility.

**3570.1 Part I - Allocation of General Service Costs to HOSPICE Cost Centers.**-- Worksheet K-5, Part I, provides for the allocation of the expenses of each general service cost center of the SNF to those cost centers which receive the services. Worksheet K-5, Part II provides for the proration of the statistical data needed to equitably allocate the expenses of the general service cost centers on Worksheet K-5, Part I.

Obtain the total direct expenses (column 0 line 29) from Worksheet A, column 7, line 55. Obtain the cost center allocation (column 0, lines 1 through 28) from Worksheet K-4, lines as indicated. The amounts on line 29, columns 0 through 16 must agree with the corresponding amounts on Worksheet B, Part I, columns 0 through 16, line 55. Calculate the amounts entered on lines 1 through 17, columns 1 through 16.

**NOTE:** Worksheet B, Part I, established the method used to reimburse direct graduate medical education cost (i.e., reasonable cost or the per resident amount). Therefore, this worksheet must follow that method. If Worksheet B, Part I, column 17, excluded the costs of interns and residents, column 17 on this worksheet must also exclude these costs.

**Line 30.**--Enter the unit cost multiplier (column 16, line 1), divided by the sum of column 16, line 29 minus column 16, line 1, rounded to 6 decimal places. Multiply each amount in column 16, lines 2 through 28, by the unit cost multiplier, and enter the result on the corresponding line of column 17.

**3570.2 Part II - Allocation of General Service Costs to Hospice Cost Centers -Statistical Basis.**--To facilitate the allocation process, the general format of Worksheet K-5, Parts I and II, is identical.

The statistical basis shown at the top of each column on Worksheet K-5, Part II, is the recommended basis of allocation of the cost center indicated.

**NOTE:** If you wish to change your allocation basis for a particular cost center, you must make a written request to your intermediary for approval of the change and submit reasonable justification for such change prior to the beginning of the cost reporting period for which the change is to apply. The effective date of the change is the beginning of the cost reporting period for which the request has been made. (See HCFA Pub. 15-I, §2313.)

If there is a change in ownership, the new owners may request that the intermediary approve a change of allocation basis in order to be consistent with their established cost finding practices. (See HCFA Pub. 15-I, §2313.)

**Lines 1 through 28.**--On Worksheet K-5, Part II, for all cost centers to which the general service cost center is being allocated, enter that portion of the total statistical base applicable to each.

**Line 29.**--Enter the total of lines 1 through 28 for each column. The total in each column must be the same as shown for the corresponding column on Worksheet B-1, line 55.

**Line 30.**--Enter the unit cost multiplier which is obtained by dividing the cost entered in Part I, line 29 by the total statistic entered in the same column in Part II, line 29. Round the unit cost multiplier to six decimal places.

Multiply the unit cost multiplier by that portion of the total statistics applicable to each cost center receiving the services. Enter the result of each computation on Worksheet K-5, Part I, in the corresponding column and line.

Perform the preceding procedures for each general service cost center.

In column 18, Part I, enter the total of columns 4A through 15.

In column 17, Part I, for lines 2 through 28, multiply the amount in column 17 by the unit cost multiplier on line 30, Part I, and enter the result in this column. On line 29, enter the total of the amounts on lines 2 through 28. The total on line 29 equals the amount in column 16, line 1.

In column 18, Part I, enter on lines 2 through 28 the sum of columns 16 and 17. The total on line 29 equals the total in column 18, line 29.

**3570.3 Part III- Apportionment Hospice Shared Costs.**--This worksheet provides for the shared therapy, drugs, or medical supplies from the SNF to the hospice.

Column Description

Columns 1 & 2.-- Enter in column 2, the cost for each discipline from Worksheet K-5, Part I, col. 18, lines as indicated in column 1.

Column 3 & 4.--Where applicable, enter in column 4 the cost to charge ratio from Worksheet C, I column 3, lines as indicated in column 3.

Column 5.--Where SNF departments provides services to the hospice, enter on the appropriate lines the charges, from the provider's records, applicable to the SNF-based hospice.

Column 6.--Multiply the amount in column 5 by the ratios in column 4 and enter the result in column 6.

Column 7.--Add the amounts in column 2 to the amounts in column 6 and enter the result in column 7 in order to compute the total shared cost.

Line 9.--Sum of column 7 lines 1 through 8.

**3571. WORKSHEET K-6 - CALCULATION OF PER DIEM COST**

Worksheet K-6 calculates the average cost per days in providing care for a hospice patient. It is only an average and should not be misconstrued as the absolute.

Line 1.--Total cost from Worksheet K-5 Part I, line 34, column 7, less line 33, column 7, plus Worksheet K-5, Part III, line 11, column 6. This line is suppose to reflect the true cost without any non hospice related costs.

Line 2.--Total unduplicated days from Worksheet S-8, line 5, col. 6.

Line 3.--Average total cost per day. Divide the total cost from line 1 by the total number of days from line 2.

Line 4.--Unduplicated Medicare days from Worksheet S-8, line 5, column 1.

Line 5.--Average Medicare cost. Multiply the average cost from line 3 by the number of unduplicated Medicare days on line 4 to arrive at the average Medicare cost.

Line 6.--Unduplicated Medicaid days from Worksheet S-8, line 5, column 2.

Line 7.--Average Medicaid cost. Multiply the average cost from line 3 by the number of unduplicated Medicaid days on line 6 to arrive at the average Medicaid cost.

Line 8.--Unduplicated SNF days from Worksheet S-8, line 5, column 3.

Line 9.--Average SNF cost. Multiply the average cost from line 3 by the number of unduplicated SNF days on line 8 to arrive at the average SNF cost.

Line 10.--Unduplicated NF days from Worksheet S-8, line 5, column 4.

Line 11.--Average NF cost. Multiply the average cost from line 3 by the number of unduplicated NF days on line 10 to arrive at the average NF cost.

Line 12.--Unduplicated Other days from Worksheet S-8, line 5, column 5.

Line 13.--Average Other cost. Multiply the average cost from line 3 by the number of unduplicated Other days on line 5 to arrive at the average Other cost.

Line 14.--Total cost add lines 5, column 1 plus line 7 column 2 and line 13, column 3. Line 14 must equal line 1 column 4. Line 9, column 1 average SNF cost is already accounted for in the total Medicare cost for Title XVIII. Similarly line 11, column 2, is already accounted for on line 7, column 2 for Medicaid cost for Title XIX.

Line 15.--Total days add lines 4, column 1 plus line 6 column 2 and line 12, column 3. Line 15 must equal line 2 column 4. Line 8, column 1 unduplicated SNF days is already accounted for in the total Medicare cost for Title XVIII. Similarly line 10, column 2, is already accounted for on line 6, column 2 for Medicaid cost for Title XIX.

RECLASSIFICATION AND ADJUSTMENT OF TRIAL BALANCE OF EXPENSES				PROVIDER NO.:		PERIOD: FROM _____ TO _____		WORKSHEET A			
COST CENTER (Omit Cents)				SALARIES	OTHER	TOTAL (Col 1 + Col 2)	RECLASSI- FICATIONS Increase/Decrease (Fr Wkst A-6)	RECLASSIFIED TRIAL BALANCE (Col 3 +/- Col 4)	ADJUSTMENTS TO EXPENSES Increase/Decrease (Fr Wkst A-8)	NET EXPENSES FOR COST ALLOCATION (Col 5 +/- Col 6)	
A	B	C	D	1	2	3	4	5	6	7	
<b>GENERAL SERVICE COST CENTERS</b>											
1	0100	x	Capital-Related Costs - Building & Fixture								1
2	0200	x	Capital-Related Costs - Moveable Equipment								2
3	0300	x	Employee Benefits								3
4	0400	x	Administrative and General								4
5	0500	x	Plant Operation, Maintenance and Repairs								5
6	0600	x	Laundry and Linen Service								6
7	0700	x	Housekeeping								7
8	0800	x	Dietary								8
9	0900	x	Nursing Administration								9
10	1000		Central Services and Supply								10
11	1100		Pharmacy								11
12	1200		Medical Records and Library								12
13	1300		Social Service								13
14	1400		Intern & Residents (Apprvd Tchng Prog.)								14
15			Other General Service Cost								15
<b>INPATIENT ROUTINE SERVICE COST CENTERS</b>											
16	1600	x	Skilled Nursing Facility								16
17											17
18	1800	x	Nursing Facility								18
18.1	1810	x	Intermediate Care Facility - Mentally Retarded								18.1
19	1900	x	Other Long Term Care								19
20			Other Inpatient Routine Cost								20
<b>ANCILLARY SERVICE COST CENTERS</b>											
21	2100	x	Radiology								21
22	2200	x	Laboratory								22
23	2300	x	Intravenous Therapy								23
24	2400	x	Oxygen (Inhalation) Therapy								24
25	2500	x	Physical Therapy								25
26	2600	x	Occupational Therapy								26
27	2700	x	Speech Pathology								27
28	2800	x	Electrocardiology								28
29	2900	x	Medical Supplies Charged to Patients								29
30	3000	x	Drugs Charged to Patients								30
31	3100	x	Dental Care - Title XIX only								31
32	3200	x	Support Surfaces								32
33		x	Other Ancillary Service Cost Center								33

x Indicates the lines to be used under the Simplified Method

RECLASSIFICATION AND ADJUSTMENT OF TRIAL BALANCE OF EXPENSES				PROVIDER NO.:		PERIOD: FROM _____ TO _____		WORKSHEET A		
COST CENTER (Omit Cents)				SALARIES	OTHER	TOTAL ( Col 1 + Col 2 )	RECLASSIFICATIONS Increase/Decrease ( Fr Wkst A-6 )	RECLASSIFIED TRIAL BALANCE ( Col 3 +/- Col 4 )	ADJUSTMENTS TO EXPENSES Increase /Decrease ( Fr Wkst A-8 )	NET EXPENSES FOR COST ALLOCATION ( Col 5 +/- Col 6 )
A	B	C	D	1	2	3	4	5	6	7
<b>OUTPATIENT SERVICE COST CENTERS</b>										
34	3400		Clinic							34
35	3500		Rural Health Clinic (RHC)							35
36			Other Outpatient Service Cost							36
<b>OTHER REIMBURSABLE COST CENTERS</b>										
37	3700		Administrative and General - HHA							37
38	3800		Skilled Nursing Care - HHA							38
39	3900		Physical Therapy - HHA							39
40	4000		Occupational Therapy - HHA							40
41	4100		Speech Pathology - HHA							41
42	4200		Medical Social Services - HHA							42
43	4300		Home Health Aide - HHA							43
44	4400		Durable Medical Equipment - Rented - HHA							44
45	4500		Durable Medical Equipment - Sold - HHA							45
46	4600		Home Delivered Meals - HHA							46
47	4700		Other Home Health Services - HHA							47
48	4800		Ambulance							48
49	4900		Intern and Resident (Not Apprvd Tchng Prog)							49
50	5000		Outpatient Rehabilitation Provider							50
51			Other Reimbursable Cost							51
<b>SPECIAL PURPOSE COST CENTERS</b>										
52	5200		Malpractice Premiums & Paid Losses							52
53	5300		Interest Expense							- 0 -
54	5400	x	Utilization Review -- SNF							- 0 -
55	5500		Hospice							- 0 -
56		x	Other Special Purpose Cost							
57	5700		Subtotals							57
<b>NON REIMBURSABLE COST CENTERS</b>										
58	5800		Gift, Flower, Coffee Shops and Canteen							58
59	5900	x	Barber and Beauty Shop							59
60	6000		Physicians' Private Offices							60
61	6100		Nonpaid Workers							61
62	6200		Patients Laundry							62
63		x	Other Non Reimbursable Cost							63
75		x	TOTAL							75

x Indicates the lines to be used under the Simplified Method

FORM HCFA-2540-96 ( 01/2001 ) (INSTRUCTIONS FOR THIS WORKSHEET ARE PUBLISHED IN HCFA PUB. 15-II, SECTION 3516)

COST ALLOCATION - GENERAL SERVICE COSTS WITH LESS THAN 1500 PROGRAM DAYS		PROVIDER NO.:		PERIOD: FROM _____ TO _____		WORKSHEET B PART III		
		NET EXPENSES FOR COST ALLOCATION (Fr. Wkst A, Col 7)	CAP-REL COSTS PLANT OPER. MAINT & REPAIR HOUSEKEEPING	EMPLOYEE BENEFITS	LAUNDRY, DIET NURSE ADMIN. CENT SER & SUPE PHARM/MED REC SOC SERV	ADMIN & GENERAL INTEREST	TOTAL COSTS	
COST CENTER (Omit Cents)		0	1	2	3	4	5	
GENERAL SERVICE COST CENTERS								
15.1	Total							15.1
INPATIENT ROUTINE SERVICE COST CENTERS								
16	Skilled Nursing Facility							16
17								17
18	Nursing Facility							18
18.1	Intermediate Care Facility / Mentally Retarded							18.1
19	Other Long Term Care							19
20	Other Inpatient Routine Services							20
ANCILLARY SERVICE COST CENTERS								
21	Radiology							21
22	Laboratory							22
23	Intravenous Therapy							23
24	Oxygen (Inhalation) Therapy							24
25	Physical Therapy							25
26	Occupational Therapy							26
27	Speech Pathology							27
28	Electrocardiology							28
29	Medical Supplies Charged to Patients							29
30	Drugs Charged to Patients							30
31	Dental Care - Title XIX only							31
32	Support Surfaces							32
33	Other Ancillary Service Cost							33
NON REIMBURSABLE COST CENTERS								
59	Barber and Beauty Shop							59
63	All Other Non Reimbursable Cost							63
75	TOTAL							75

FORM HCFA-2540-96 ( 01/2001 ) ( INSTRUCTIONS FOR THIS WORKSHEET ARE PUBLISHED IN HCFA PUB. 15-II, SECTION 3525.1 )

COST ALLOCATION - STATISTICAL BASIS WITH LESS THAN 1500 PROGRAM DAYS		PROVIDER NO.:		PERIOD: FROM _____ TO _____		WORKSHEET B - 1 PART II	
		0	CAPITAL RELATED COSTS PLANT OPERATION MAINTENANCE & REPAIR HOUSEKEEPING (Square Feet) 1	EMPLOYEE BENEFITS  (Gross Salaries) 2	LAUNDRY, DIET NURSE ADMIN. CENTRAL SUPPLY PHARM / MEDICAL RECORDS / SOCIAL SERVICES (Patient Days) 3	ADMIN & GENERAL INTEREST 4	5
COST CENTER (Omit Cents)							
INPATIENT ROUTINE SERVICE COST CENTERS							
16	Skilled Nursing Facility						16
17							17
18	Nursing Facility						18
18.1	Intermediate Care Facility / Mentally Retarded						18.1
19	Other Long Term Care						19
20	Other Inpatient Routine Services						20
ANCILLARY SERVICE COST CENTERS							
21	Radiology						21
22	Laboratory						22
23	Intravenous Therapy						23
24	Oxygen (Inhalation) Therapy						24
25	Physical Therapy						25
26	Occupational Therapy						26
27	Speech Pathology						27
28	Electrocardiology						28
29	Medical Supplies Charged to Patients						29
30	Drugs Charged to Patients						30
31	Dental Care - Title XIX only						31
32	Support Surfaces						32
33	Other Ancillary Service Cost						33
NON REIMBURSABLE COST CENTERS							
59	Barber and Beauty Shop						59
63	All Other Non Reimbursable Cost						63
70	Total General Services Costs						70
71	Total Statistics						71
72	Unit Cost Multipliers (Line 70 divided by line 71)						72

FORM HCFA-2540-96 (01/2001) (INSTRUCTIONS FOR THIS WORKSHEET ARE PUBLISHED IN HCFA PUB. 15-II, SECTION 3525.1)



ANALYSIS OF SNF - BASED HOSPICE COST			PROVIDER NO:		HOSPICE NO.		PERIOD: FROM _____ TO _____		WORKSHEET K			
COST CENTER DESCRIPTIONS	SALARIES (From Wkst K-1)	EMPLOYEE BENEFITS (From Wkst K-2)	TRANSPOR- TATION (See inst.)	CONTRACTED SERVICES (From Wkst K-3)	OTHER	TOTAL (col. 1-5)	RECLAS- SIFICATION (Increase/ Decrease)	SUBTOTAL	ADJUST- MENTS (Increase/ Decrease)	TOTAL (col.8 ± col.9)		
	1	2	3	4	5	6	7	8	9	10		
<b>GENERAL SERVICE COST CENTERS</b>												
1	Capital Related Costs-Bldg and Fixt.											1
2	Capital Related Costs-Moveable Equip.											2
3	Plant Operation and Maintenance											3
4	Transportation - Staff											4
5	Volunteer Service Coordination											5
6	Administrative and General											6
<b>INPATIENT CARE SERVICE</b>												
7	Inpatient - General Care											7
8	Inpatient - Respite Care											8
<b>VISITING SERVICES</b>												
9	Physician Services											9
10	Nursing Care											10
11	Physical Therapy											11
12	Occupational Therapy											12
13	Speech/ Language Pathology											13
14	Medical Social Services											14
15	Spiritual Counseling											15
16	Dietary Counseling											16
17	Counseling - Other											17
18	Home Health Aide and Homemaker											18
19	Other											19
<b>OTHER HOSPICE SERVICE COSTS</b>												
20	Drugs, Biological and Infusion Therapy											20
21	Durable Medical Equipment/Oxygen											21
22	Patient Transportation											22
23	Imaging Services											23
24	Labs and Diagnostics											24
25	Medical Supplies											25
26	Outpatient Services (incl. E/R Dept.)											26
27	Radiation Therapy											27
28	Chemotherapy											28
29	Other											29
<b>HOSPICE NONREIMBURSABLE SERV.</b>												
30	Bereavement Program Costs											30
31	Volunteer Program Costs											31
32	Fundraising											32
33	Other Program Costs											33
34	Total											34

FORM HCFA-2540-96 ( 01-2001 ) (INSTRUCTIONS FOR THIS WORKSHEET ARE PUBLISHED IN HCFA PUB. 15-II, SECTION 3565)

HOSPICE COMPENSATION ANALYSIS SALARIES AND WAGES		PROVIDER NO:		HOSPICE NO:		PERIOD: FROM _____ TO _____		WORKSHEET K-1		
		ADMINIS TRATOR	DIRECTOR	SOCIAL SERVICES	SUPER- VISORS	NURSES	TOTAL THERAPISTS	AIDES	ALL OTHER	TOTAL (1)
COST CENTER DESCRIPTIONS (omit cents)		1	2	3	4	5	6	7	8	9
GENERAL SERVICE COST CENTERS										
1	Capital Related Costs-Bldg and Fixt.									1
2	Capital Related Costs-Moveable Equip.									2
3	Plant Operation and Maintenance									3
4	Transportation - Staff									4
5	Volunteer Service Coordination									5
6	Administrative and General									6
INPATIENT CARE SERVICE										
7	Inpatient - General Care									7
8	Inpatient - Respite Care									8
VISITING SERVICES										
9	Physician Services									9
10	Nursing Care									10
11	Physical Therapy									11
12	Occupational Therapy									12
13	Speech/ Language Pathology									13
14	Medical Social Services									14
15	Spiritual Counseling									15
16	Dietary Counseling									16
17	Counseling - Other									17
18	Home Health Aide and Homemaker									18
19	Other									19
OTHER HOSPICE SERVICE COSTS										
20	Drugs, Biological and Infusion Therapy									20
21	Durable Medical Equipment/Oxygen									21
22	Patient Transportation									22
23	Imaging Services									23
24	Labs and Diagnostics									24
25	Medical Supplies									25
26	Outpatient Services (incl. E/R Dept.)									26
27	Radiation Therapy									27
28	Chemotherapy									28
29	Other									29
HOSPICE NONREIMBURSABLE SERV.										
30	Bereavement Program Costs									30
31	Volunteer Program Costs									31
32	Fundraising									32
33	Other Program Costs									33
34	Total									34

(1) Transfer the amount in column 9 to Wkst K, column 1

FORM HCFA-2540-96 ( 01/2001 ) (INSTRUCTIONS FOR THIS WORKSHEET ARE PUBLISHED IN HCFA PUB. 15-II, SECTION 3566)

HOSPICE COMPENSATION ANALYSIS EMPLOYEE BENEFITS (PAYROLL RELATED)		PROVIDER NO:		HOSPICE NO:		PERIOD: FROM _____ TO _____		WORKSHEET K-2			
		ADMINIS TRATOR	DIRECTOR	SOCIAL SERVICES	SUPER- VISORS	NURSES	TOTAL THERAPISTS	AIDES	ALL OTHER	TOTAL (1)	
COST CENTER DESCRIPTIONS (omit cents)		1	2	3	4	5	6	7	8	9	
GENERAL SERVICE COST CENTERS											
1	Capital Related Costs-Bldg and Fixt.										1
2	Capital Related Costs-Moveable Equip.										2
3	Plant Operation and Maintenance										3
4	Transportation - Staff										4
5	Volunteer Service Coordination										5
6	Administrative and General										6
INPATIENT CARE SERVICE											
7	Inpatient - General Care										7
8	Inpatient - Respite Care										8
VISITING SERVICES											
9	Physician Services										9
10	Nursing Care										10
11	Physical Therapy										11
12	Occupational Therapy										12
13	Speech/ Language Pathology										13
14	Medical Social Services										14
15	Spiritual Counseling										15
16	Dietary Counseling										16
17	Counseling - Other										17
18	Home Health Aide and Homemaker										18
19	Other										19
OTHER HOSPICE SERVICE COSTS											
20	Drugs Biological and Infusion Therapy										20
21	Durable Medical Equipment/ Oxygen										21
22	Patient Transportation										22
23	Imaging Services										23
24	Labs and Diagnostics										24
25	Medical Supplies										25
26	Outpatient Services (incl. E/R Dept.)										26
27	Radiation Therapy										27
28	Chemotherapy										28
29	Other										29
HOSPICE NONREIMBURSABLE SERV.											
30	Bereavement Program Costs										30
31	Volunteer Program Costs										31
32	Fundraising										32
33	Other Program Costs										33
34	Total										34

(1) Transfer the amounts in column 9 to Wkst K, column 2

FORM HCFA-2540-96 ( 01/2001 ) ( INSTRUCTIONS FOR THIS WORKSHEET ARE PUBLISHED IN HCFA PUB. 15-II, SECTION 3567)

HOSPICE COMPENSATION ANALYSIS CONTRACTED SERVICES / PURCHASED SERVICES		PROVIDER NO:		HOSPICE NO:		PERIOD: FROM _____ TO _____		WORKSHEET K-3		
COST CENTER DESCRIPTIONS (omit cents)	ADMINIS TRATOR	DIRECTOR	SOCIAL SERVICES	SUPER- VISORS	NURSES	TOTAL THERAPISTS	AIDES	ALL OTHER	TOTAL (1)	
	1	2	3	4	5	6	7	8	9	
<b>GENERAL SERVICE COST CENTERS</b>										
1	Capital Related Costs-Bldg and Fixt.									1
2	Capital Related Costs-Moveable Equip.									2
3	Plant Operation and Maintenance									3
4	Transportation - Staff									4
5	Volunteer Service Coordination									5
6	Administrative and General									6
<b>INPATIENT CARE SERVICE</b>										
7	Inpatient - General Care									7
8	Inpatient - Respite Care									8
<b>VISITING SERVICES</b>										
9	Physician Services									9
10	Nursing Care									10
11	Physical Therapy									11
12	Occupational Therapy									12
13	Speech/ Language Pathology									13
14	Medical Social Services									14
15	Spiritual Counseling									15
16	Dietary Counseling									16
17	Counseling - Other									17
18	Home Health Aide and Homemaker									18
19	Other									19
<b>OTHER HOSPICE SERVICE COSTS</b>										
20	Drugs, Biological and Infusion Therapy									20
21	Durable Medical Equipment/Oxygen									21
22	Patient Transportation									22
23	Imaging Services									23
24	Labs and Diagnostics									24
25	Medical Supplies									25
26	Outpatient Services (incl. E/R Dept.)									26
27	Radiation Therapy									27
28	Chemotherapy									28
29	Other									29
<b>HOSPICE NONREIMBURSABLE SERV.</b>										
30	Bereavement Program Costs									30
31	Volunteer Program Costs									31
32	Fundraising									32
33	Other Program Costs									33
34	Total									34

(1) Transfer the amounts in column 9 to Wkst K, column 4

FORM HCFA-2540-96 ( 01/2001 ) (INSTRUCTIONS FOR THIS WORKSHEET ARE PUBLISHED IN HCFA PUB. 15-II, SECTION 3568)

COST ALLOCATION - HOSPICE GENERAL SERVICE COST		PROVIDER NO:		HOSPICE NO:		PERIOD: FROM _____ TO _____		WORKSHEET K-4 PART I		
COST CENTER DESCRIPTIONS	FR. WKST. K COL. 10: NET EXPENSES FOR COST ALLOC. (1)	CAPITAL RELATED COST BLDG & FIXTURES	CAPITAL RELATED COST MOVABLE EQUIPMENT	PLANT OPERATION & MAINT.	PORTATION	VOLUNTEER SERV. COORDI- NATOR	SUBTOTAL (col. 0 - 5)	ADMINIS- TRATIVE & GENERAL	TOTAL	
	0	1	2	3	4	5	5A	6	7	
<b>GENERAL SERVICE COST CENTERS</b>										
1										1
2										2
3										3
4										4
5										5
6										6
<b>INPATIENT CARE SERVICE</b>										
7										7
8										8
<b>VISITING SERVICES</b>										
9										9
10										10
11										11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
<b>OTHER HOSPICE SERVICE COSTS</b>										
20										20
21										21
22										22
23										23
24										24
25										25
26										26
27										27
28										28
29										29
<b>HOSPICE NONREIMBURSABLE SERV.</b>										
30										30
31										31
32										32
33										33
34										34

(1) Column 0, line 29 must agree with Wkst. A, column 7, line 55.

FORM HCFA-2540-96 ( 01/2001 ) ( INSTRUCTIONS FOR THIS WORKSHEET ARE PUBLISHED IN HCFA PUB. 15-II, SECTION 3569 )

COST ALLOCATION - HOSPICE STATISTICAL BASIS		PROVIDER NO:		HOSPICE NO:		PERIOD: FROM _____ TO _____		WORKSHEET K-4 PART II	
		CAPITAL RELATED COST BLDG & FIXTURES (SQ. FT.)	CAPITAL RELATED COST MOVABLE EQUIPMENT \$ VALUE)	PLANT OPERATION & MAINT. (SQ. FT.)	TRANS- PORTATION MILEAGE	VOLUNTEER SERV. COORDI- NATOR (HOURS)	RECONCI- LIATION	ADMINIS- TRATIVE & GENERAL (ACC. COST)	
COST CENTER DESCRIPTIONS		1	2	3	4	5	6A	6	
GENERAL SERVICE COST CENTERS									
1	Capital Related Costs-Buildings and Fixtures								1
2	Capital Related Costs-Moveable Equipment								2
3	Plant Operation and Maintenance								3
4	Transportation-staff								5
5	Volunteer Service Coordination								5
6	Administrative and General								6
INPATIENT CARE SERVICE									
7	Inpatient - General Care								7
8	Inpatient - Respite Care								8
VISITING SERVICES									
9	Physician Services								9
10	Nursing Care								10
11	Physical Therapy								11
12	Occupational Therapy								12
13	Speech/ Language Pathology								13
14	Medical Social Services - Direct								14
15	Spiritual Counseling								15
16	Dietary Counseling								16
17	Counseling - Other								17
18	Home Health Aide and Homemakers								18
19	Other								19
OTHER HOSPICE SERVICE COSTS									
20	Drugs, Biologicals and Infusion								20
21	Durable Medical Equipment/Oxygen								21
22	Patient Transportation								22
23	Imaging Services								23
34	Labs and Diagnostics								24
25	Medical Supplies								25
26	Outpatient Services (incl. E/R Dept.)								26
27	Radiation Therapy								27
28	Chemotherapy								28
29	Other								29
HOSPICE NONREIMBURSABLE SERV.									
30	Bereavement Program Costs								30
31	Volunteer Program Costs								31
32	Fundraising								32
33	Other Program Costs								33
34	Cost To be Allocated (per Wkst K-4, Part I)								34
35	Unit Cost Multiplier								35

FORM HCFA-2540-96 ( 01/2001) (INSTRUCTIONS FOR THIS WORKSHEET ARE PUBLISHED IN HCFA PUB. 15-II, SECTION 3569)

ALLOCATION OF GENERAL SERVICE COSTS TO HOSPICE COST CENTERS		PROVIDER NO.:	HOSPICE NO.:		PERIOD FROM: _____ TO: _____		WORKSHEET K-5, PART I	
HOSPICE COST CENTER (omit cents)	From Wkst. K-4 Part I, col. 6, line -	HOSPICE TRIAL BALANCE (1)	CAPITAL RELATED BLDGS. & FIXTURES	CAPITAL RELATED MOVABLE EQUIPMENT	EMPLOYEE BENEFITS	SUBTOTAL (cols. 0-3)	ADMINIS-TRATIVE & GENERAL	
		0	1	2	3	4a	4	
1	Administrative and General	6						1
2	Inpatient - General Care	7						2
3	Inpatient - Respite Care	8						3
4	Physician Services	9						4
5	Nursing Care	10						5
6	Physical Therapy	11						6
7	Occupational Therapy	12						7
8	Speech/ Language Pathology	13						8
9	Medical Social Services - Direct	14						9
10	Spiritual Counseling	15						10
11	Dietary Counseling	16						11
12	Counseling - Other	17						12
13	Home Health Aide and Homemakers	18						13
14	Other	19						14
15	Drugs, Biologicals and Infusion	20						15
16	Durable Medical Equipment/Oxygen	21						16
17	Patient Transportation	22						17
18	Imaging Services	23						18
19	Labs and Diagnostics	24						19
20	Medical Supplies	25						20
21	Outpatient Services (incl. E/R Dept.)	26						21
22	Radiation Therapy	27						22
23	Chemotherapy	28						23
24	Other	29						24
25	Bereavement Program Costs	30						25
26	Volunteer Program Costs	31						26
27	Fundraising	32						27
28	Other Program Costs	33						28
29	Totals (sum of lines 1-28) (2)							29
30	Unit Cost Multiplier: Column 16, line 1 divided by the sum of column 16, line 29, minus column 16, line 1, rounded to 6 decimal places.							30

(2) Columns 0 through 16 , line 29 must agree with the corresponding columns of Wkst. B, Part I, line 55.

**FORM HCFA-2540-96 ( 01/2001) (INSTRUCTIONS FOR THIS WORKSHEET ARE PUBLISHED IN HCFA PUB. 15-II, SECTION 3570.1)**

ALLOCATION OF GENERAL SERVICE COSTS TO HOSPICE COST CENTERS		PROVIDER NO.:	PERIOD			WORKSHEET K-5, PART II		
		HOSPICE NO.:	FROM: _____					
			TO: _____					
HOSPICE COST CENTER (omit cents)			CAPITAL RELATED BLDGS. & FIXTURES (Square Feet)	CAPITAL RELATED MOVABLE EQUIPMENT (Dollar Value)	EMPLOYEE BENEFITS (Gross Salaries)	RECONCILIATION	ADMINISTRATIVE & GENERAL (Accum. Cost)	
			1	2	3	4a	4	
1	Administrative and General							1
2	Inpatient - General Care							2
3	Inpatient - Respite Care							3
4	Physician Services							4
5	Nursing Care							5
6	Physical Therapy							6
7	Occupational Therapy							7
8	Speech/ Language Pathology							8
9	Medical Social Services - Direct							9
10	Spiritual Counseling							10
11	Dietary Counseling							11
12	Counseling - Other							12
13	Home Health Aide and Homemakers							13
14	Other							14
15	Drugs, Biologicals and Infusion							15
16	Durable Medical Equipment/Oxygen							16
17	Patient Transportation							17
18	Imaging Services							18
19	Labs and Diagnostics							19
20	Medical Supplies							20
21	Outpatient Services (incl. E/R Dept.)							21
22	Radiation Therapy							22
23	Chemotherapy							23
24	Other							24
25	Bereavement Program Costs							25
26	Volunteer Program Costs							26
27	Fundraising							27
28	Other Program Costs							28
29	Totals (sum of lines 1-28) (2)							29
30	Unit Cost Multiplier							30

<b>APPORTIONMENT OF HOSPICE SHARED SERVICES</b>	<b>PROVIDER NO.:</b>	<b>PERIOD: FROM TO</b>	<b>WORKSHEET K-5 Part III</b>
	<b>HOSPICE NO.:</b>		

**PART III - COMPUTATION OF TOTAL HOSPICE SHARED COSTS**

COST CENTER	Facility Cost From Worksheet K-5, Part I		Cost to Charge Ratio From Worksheet C, Col. 3		Total Hospice Charges (From Provider Records)	Hospice Shared Ancillary Costs (col. 4 x col. 5)	Total Hospice Cost (col. 2 and 6)	
	Line:	Amount:	Line :	Ratio				
	1	2	3	4				
<b>ANCILLARY SERVICE COST CENTERS</b>								
1	Physical Therapy	6		25				1
2	Occupational Therapy	7		26				2
3	Speech/ Language Pathology	8		27				3
4	Drugs, Biologicals and Infusion	15		30				4
5	Labs and Diagnostics	19		22				5
6	Medical Supplies	20		29				6
7	Radiation Therapy	22		21				7
8	Other	24		33				8
9	Totals (sum of lines 1-9)							9

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<b>CALCULATION OF PER DIEM COST</b>	<b>PROVIDER NO.</b> _____	<b>PERIOD:</b> <b>FROM</b> _____ <b>TO</b> _____	<b>WORKSHEET K-6</b>
-------------------------------------	------------------------------	--	----------------------

COMPUTATION OF PER DIEM COST		TITLE XVIII	TITLE XIX	OTHER	TOTAL	
		1	2	3	4	
1	Total cost (Worksheet K, line 34 less line 33, col. 7)					1
2	Total Unduplicated Days (Worksheet S-8, line 5, col. 6)					2
3	Average cost per diem (line 1 divided by line 2)					3
4	Unduplicated Medicare Days (Worksheet S-8, line 5, col. 1)					4
5	Average Medicare cost (line 3 times line 4)					5
6	Unduplicated Medicaid Days (Worksheet S-8, line 5, col. 2)					6
7	Average Medicaid cost (line 3 times line 6)					7
8	Unduplicated SNF days (Worksheet S-8, line 5, col. 3)					8
9	Average SNF cost (line 3 times line 8)					9
10	Unduplicated NF days (Worksheet S-8, line 5, col. 4)					10
11	Average NF cost (line 3 times line 10)					11
12	Other Unduplicated days (Worksheet S-8, line 5, col. 5)					12
13	Average cost for other days (line 3 times line 12)					13
14	Total cost (see instructions)					14
15	Total days (see instructions)					15

ALLOCATION OF GENERAL SERVICE COSTS TO HOSPICE COST CENTERS		PROVIDER NO.:		PERIOD		WORKSHEET K-5,		
		HOSPICE NO.:		FROM: _____		Part II (Cont.)		
HOSPICE COST CENTER (omit cents)	PLANT OPERATION MAINTENANCE & REPAIRS (Square Feet)	LAUNDRY & LINEN SERVICE (Pounds of Laundry)	HOUSE KEEPING (Hours of Service)	DIETARY (Meals Served)	NURSING ADMINIS- TRATION (Direct Nursing Hours)	CENTRAL SERVICES & SUPPLY (Costed Requisitions)	PHARMACY (Costed Requisitions)	
	5	6	7	8	9	10	11	
1	Administrative and General							1
2	Inpatient - General Care							2
3	Inpatient - Respite Care							3
4	Physician Services							4
5	Nursing Care							5
6	Physical Therapy							6
7	Occupational Therapy							7
8	Speech/ Language Pathology							8
9	Medical Social Services - Direct							9
10	Spiritual Counseling							10
11	Dietary Counseling							11
12	Counseling - Other							12
13	Home Health Aide and Homemakers							13
14	Other							14
15	Drugs, Biologicals and Infusion							15
16	Durable Medical Equipment/Oxygen							16
17	Patient Transportation							17
18	Imaging Services							18
19	Labs and Diagnostics							19
20	Medical Supplies							20
21	Outpatient Services (incl. E/R Dept.)							21
22	Radiation Therapy							22
23	Chemotherapy							23
24	Other							24
25	Bereavement Program Costs							25
26	Volunteer Program Costs							26
27	Fundraising							27
28	Other Program Costs							28
29	Totals (sum of lines 1-28) (2)							29
30	Unit Cost Multiplier							30

ALLOCATION OF GENERAL SERVICE COSTS TO HOSPICE COST CENTERS		PROVIDER NO.:		PERIOD FROM: _____ TO: _____		WORKSHEET K-5, Part II (Cont.)		
HOSPICE COST CENTER (omit cents)	MEDICAL RECORDS & LIBRARY (Time Spent)	SOCIAL SERVICE (Time Spent)	INTERNS & RESIDENTS (Assigned Time)	OTHER GENERAL SERVICE (Specify)				
	12	13	14	15				
1	Administrative and General							1
2	Inpatient - General Care							2
3	Inpatient - Respite Care							3
4	Physician Services							4
5	Nursing Care							5
6	Physical Therapy							6
7	Occupational Therapy							7
8	Speech/ Language Pathology							8
9	Medical Social Services - Direct							9
10	Spiritual Counseling							10
11	Dietary Counseling							11
12	Counseling - Other							12
13	Home Health Aide and Homemakers							13
14	Other							14
15	Drugs, Biologicals and Infusion							15
16	Durable Medical Equipment/Oxygen							16
17	Patient Transportation							17
18	Imaging Services							18
19	Labs and Diagnostics							19
20	Medical Supplies							20
21	Outpatient Services (incl. E/R Dept.)							21
22	Radiation Therapy							22
23	Chemotherapy							23
24	Other							24
25	Bereavement Program Costs							25
26	Volunteer Program Costs							26
27	Fundraising							27
28	Other Program Costs							28
29	Totals (sum of lines 1-28) (2)							29
30	Unit Cost Multiplier							30

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ALLOCATION OF GENERAL SERVICE COSTS TO HOSPICE COST CENTERS		PROVIDER NO.:		PERIOD FROM: _____ TO: _____		WORKSHEET K-5, Part I (Cont.)			
HOSPICE COST CENTER (omit cents)		PLANT OPERATION MAINTENANCE & REPAIRS	LAUNDRY & LINEN SERVICE	HOUSE KEEPING	DIETARY	NURSING ADMINISTRATION	CENTRAL SERVICES & SUPPLY	PHARMACY	
		5	6	7	8	9	10	11	
1	Administrative and General								1
2	Inpatient - General Care								2
3	Inpatient - Respite Care								3
4	Physician Services								4
5	Nursing Care								5
6	Physical Therapy								6
7	Occupational Therapy								7
8	Speech/ Language Pathology								8
9	Medical Social Services - Direct								9
10	Spiritual Counseling								10
11	Dietary Counseling								11
12	Counseling - Other								12
13	Home Health Aide and Homemakers								13
14	Other								14
15	Drugs, Biologicals and Infusion								15
16	Durable Medical Equipment/Oxygen								16
17	Patient Transportation								17
18	Imaging Services								18
19	Labs and Diagnostics								19
20	Medical Supplies								20
21	Outpatient Services (incl. E/R Dept.)								21
22	Radiation Therapy								22
23	Chemotherapy								23
24	Other								24
25	Bereavement Program Costs								25
26	Volunteer Program Costs								26
27	Fundraising								27
28	Other Program Costs								28
29	Totals (sum of lines 1-28) (2)								29
30	Unit Cost Multiplier:								30
	Column 16, line 1 divided by the sum of column 16, line 29, minus column 16, line 1, rounded to 6 decimal places.								

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ALLOCATION OF GENERAL SERVICE COSTS TO HOSPICE COST CENTERS		PROVIDER NO.:			PERIOD FROM: _____ TO: _____		WORKSHEET K-5, Part I (Cont.)	
		HOSPICE NO.:					ALLOCATED HOSPICE A&G (see Part II)	TOTAL HOSPICE COSTS
HOSPICE COST CENTER (omit cents)		MEDICAL RECORDS & LIBRARY	SOCIAL SERVICE	INTERNS & RESIDENTS	OTHER GENERAL SERVICE	SUBTOTAL (Sum of Columns 4a through 15)		
		12	13	14	15	16	17	18
1	Administrative and General							1
2	Inpatient - General Care							2
3	Inpatient - Respite Care							3
4	Physician Services							4
5	Nursing Care							5
6	Physical Therapy							6
7	Occupational Therapy							7
8	Speech/ Language Pathology							8
9	Medical Social Services - Direct							9
10	Spiritual Counseling							10
11	Dietary Counseling							11
12	Counseling - Other							12
13	Home Health Aide and Homemakers							13
14	Other							14
15	Drugs, Biologicals and Infusion							15
16	Durable Medical Equipment/Oxygen							16
17	Patient Transportation							17
18	Imaging Services							18
19	Labs and Diagnostics							19
20	Medical Supplies							20
21	Outpatient Services (incl. E/R Dept.)							21
22	Radiation Therapy							22
23	Chemotherapy							23
24	Other							24
25	Bereavement Program Costs							25
26	Volunteer Program Costs							26
27	Fundraising							27
28	Other Program Costs							28
29	Totals (sum of lines 1-28) (2)							29
30	Unit Cost Multiplier: Column 16, line 1 divided by the sum of column 16, line 29, minus column 16, line 1, rounded to 6 decimal places.							30

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## ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96

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ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 1 - RECORD SPECIFICATIONS

Table 1 specifies the standard record format to be used for electronic cost reporting. Each electronic cost report submission (file) has four types of records. The first group (type 1 records) contains information for identifying, processing, and resolving problems. The text used throughout the cost report for variable line labels (e.g., Worksheet A) and variable column headers (Worksheet B-1) is included in the type 2 records. Refer to Table 5 for cost center coding. The data detailed in Table 3 are identified as type three records. The encryption coding at the end of the file, records 1, 1.01, and 1.02, are type 4 records.

The medium for transferring cost reports submitted electronically to fiscal intermediaries is 3½" diskette. These disks must be in IBM format. The character set must be ASCII. Seek approval from your fiscal intermediary regarding alternate methods of submission to ensure that the method of transmission is acceptable.

The following are requirements for all records:

1. All alpha characters must be in upper case.
2. For micro systems, the end of record indicator must be a carriage return and line feed, in that sequence.
3. No record may exceed 60 characters.

Below is an example of a Type 1 record with a narrative description of its meaning.

1	2	3	4	5
1234567890123456789012345678901234567890123456789012345678				
1	1	010123199827419992733C99P00520000201999334		

Record #1: This is a cost report file submitted by Provider 010123 for the period from October 1, 1999 (1999274) through September 30, 2000 (2000273). It is filed on Form HCFA-2540-96. It is prepared with vendor number C99's PC based system, version number 1. Position 38 changes with each new test case and/or approval and is alpha. Positions 39 and 40 will remain constant for approvals issued after the first test case. This file is prepared by the skilled nursing facility on January 20, 2000 (2000020). The electronic cost report specification, dated November 30, 1999 (1999334), is used to prepare this file.

#### FILE NAMING CONVENTION

Name each cost report file in the following manner:

SNNNNNNN.YYL, where

1. SN (SNF electronic cost report) is constant;
2. NNNNNN is the 6 digit Medicare skilled nursing facility provider number;
3. YY is the year in which the provider's cost reporting period ends; and
4. L is a character variable (A-Z) to enable separate identification of files from skilled nursing facilities with two or more cost reporting periods ending in the same calendar year.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 1 - RECORD SPECIFICATIONS

RECORD NAME: Type 1 Records - Record Number 1

		<u>Size</u>	<u>Usage</u>	<u>Loc.</u>	<u>Remarks</u>
1.	Record Type	1	X	1	Constant "1"
2.	NPI	10	9	2-11	Numeric only
3.	Spaces	1	X	12	
4.	Record Number	1	X	13	Constant "1"
5.	Spaces	3	X	14-16	
6.	SNF Provider Number	6	9	17-22	Field must have 6 numeric characters
7.	Fiscal Year Beginning Date	7	9	23-29	YYYYDDD - Julian date; first day covered by this cost report
8.	Fiscal Year Ending Date	7	9	30-36	YYYYDDD - Julian date; last day covered by this cost report
9.	MCR Version	1	9	37	Constant "3" (for Form HCFA 2540-96)
10.	Vendor Code	3	X	38-40	To be supplied upon approval. Refer to page 35-503.
11.	Vendor Equipment	1	X	41	P = PC; M = Main Frame
12.	Version Number	3	X	42-44	Version of extract software, e.g., 001=1st, 002=2nd, etc. or 101=1st, 102=2nd. The version number must be incremented by 1 with each recompile and release to client(s).
13.	Creation Date	7	9	45-51	YYYYDDD - Julian date; date on which the file was created (extracted from the cost report)
14.	ECR Spec. Date	7	9	52-58	YYYYDDD - Julian date; date of electronic cost report specifications used in producing each file. Valid for cost reporting periods ending on or after <b>200159 (02/28/2001)</b> . Prior approvals are 2000274, 1999334, 1998273, 1997273, and 1996274.

TABLE 1 - RECORD SPECIFICATIONS

RECORD NAME: Type 1 Records - Record Numbers 2 - 99

	<u>Size</u>	<u>Usage</u>	<u>Loc.</u>	<u>Remarks</u>
1. Record Type	1	9	1	Constant "1"
2. Spaces	10	X	2-11	
3. Record Number	2	9	12-13	#2 to #99 - Reserved for future use.
4. Spaces	7	X	14-20	Spaces (optional)
5. ID Information	40	X	21-60	Left justified to position 21.

RECORD NAME: Type 2 Records for Labels

	<u>Size</u>	<u>Usage</u>	<u>Loc.</u>	<u>Remarks</u>
1. Record Type	1	9	1	Constant "2"
2. Wkst. Indicator	7	X	2-8	Alphanumeric. Refer to Table 2.
3. Spaces	2	X	9-10	
4. Line Number	3	9	11-13	Numeric
5. Subline Number	2	9	14-15	Numeric
6. Column Number	3	X	16-18	Alphanumeric
7. Subcolumn Number	2	9	19-20	Numeric
8. Cost Center Code	4	9	21-24	Numeric. Refer to Table 5 for appropriate cost center codes.
9. Labels/Headings				
a. Line Labels	36	X	25-60	Alphanumeric, left justified
b. Column Headings Statistical Basis & Code	10	X	21-30	Alphanumeric, left justified

The type 2 records contain text that appears on the pre-printed cost report. Of these, there are three groups: (1) Worksheet A cost center names (labels); (2) column headings for step-down entries; and (3) other text appearing in various places throughout the cost report. The standard cost center labels are listed below.

A Worksheet A cost center label must be furnished for every cost center with cost or charge data anywhere in the cost report. The line and subline numbers for each label must be the same as the line and subline numbers of the corresponding cost center on Worksheet A. The columns and subcolumn numbers are always set to zero.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 1 - RECORD SPECIFICATIONS

TYPE 2 COST CENTER DESCRIPTIONS

The following type 2 cost center descriptions must be used for all Worksheet A standard cost center lines.

Line	Used when a FULL cost report is filed	Used when a SIMPLIFIED cost report is filed
1	CAP REL COSTS - BLDGS & FIXTURES	CAP REL COSTS - BLDGS & FIXTURES
2	CAP REL COSTS - MOVEABLE EQUIPMENT	CAP REL COSTS - MOVEABLE EQUIPMENT
3	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS
4	ADMINISTRATIVE & GENERAL	ADMINISTRATIVE & GENERAL
5	PLANT OPERATION, MAINT. & REPAIRS	PLANT OPERATION, MAINT. & REPAIRS
6	LAUNDRY & LINEN SERVICE	LAUNDRY & LINEN SERVICE
7	HOUSEKEEPING	HOUSEKEEPING
8	DIETARY	DIETARY
9	NURSING ADMINISTRATION	NURSING ADMINISTRATION
10	CENTRAL SERVICES & SUPPLY	
11	PHARMACY	
12	MEDICAL RECORDS & LIBRARY	
13	SOCIAL SERVICE	
14	INTERNS & RESIDENTS (APPRVD PROG)	
16	SKILLED NURSING FACILITY	SKILLED NURSING FACILITY
18	NURSING FACILITY	NURSING FACILITY
18.1	INTERMEDIATE CARE FACILITY - MENTALLY RETARDED	
19	OTHER LONG TERM CARE	OTHER LONG TERM CARE
21	RADIOLOGY	RADIOLOGY
22	LABORATORY	LABORATORY
23	INTRAVENOUS THERAPY	INTRAVENOUS THERAPY
24	OXYGEN (INHALATION) THERAPY	OXYGEN (INHALATION) THERAPY
25	PHYSICAL THERAPY	PHYSICAL THERAPY
26	OCCUPATIONAL THERAPY	OCCUPATIONAL THERAPY
27	SPEECH PATHOLOGY	SPEECH PATHOLOGY
28	ELECTROCARDIOLOGY	ELECTROCARDIOLOGY
29	MEDICAL SUPPLIES CHARGED TO PATIENTS	MEDICAL SUPPLIES CHARGED TO PATIENTS
30	DRUGS CHARGED TO PATIENTS	DRUGS CHARGED TO PATIENTS
31	DENTAL CARE - TITLE XIX ONLY	DENTAL CARE - TITLE XIX ONLY
32	SUPPORT SURFACES	SUPPORT SURFACES
34	CLINIC	
35	RURAL HEALTH CLINIC	
37	ADMINISTRATIVE & GENERAL - HHA	
38	SKILLED NURSING CARE - HHA	
39	PHYSICAL THERAPY - HHA	
40	OCCUPATIONAL THERAPY - HHA	
41	SPEECH PATHOLOGY - HHA	
42	MEDICAL SOCIAL SERVICES - HHA	
43	HOME HEALTH AIDE - HHA	
44	DME RENTED - HHA	
45	DME SOLD - HHA	
46	HOME DELIVERED MEALS - HHA	
47	OTHER HOME HEALTH SERVICES - HHA	
48	AMBULANCE	
49	INTERNS & RESIDENTS (NOT APPROVED)	
52	MALPRACTICE PREMIUMS & PAID LOSSES	
53	INTEREST EXPENSE	
54	UTILIZATION REVIEW - SNF	UTILIZATION REVIEW - SNF
55	HOSPICE	
58	GIFT, FLOWER, COFFEE SHOPS & CANTEEN	
59	BARBER & BEAUTY SHOP	BARBER & BEAUTY SHOP
60	PHYSICIANS' PRIVATE OFFICES	
61	NONPAID WORKERS	
62	PATIENTS' LAUNDRY	

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 1 - RECORD SPECIFICATIONS

Column headings for the General Service cost centers on Worksheets B, Parts I and II, B-1, and J-1, Part III (lines 1-3) are supplied once. They consist of one to three records. Each statistical basis shown on Worksheet B-1, Worksheet J-1, Part III, and Worksheet K-5 is also reported. The statistical basis consists of one or two records (lines 4 and 5). Statistical basis code is supplied only to Worksheet B-1 columns and is recorded as line 6. This code is applied to all general service cost centers and subscripts as applicable. The statistical code must agree with the statistical bases indicated on lines 4 and 5, i.e., code 1 = square footage; code 2 = dollar value; code 3 = other basis, as preprinted on Worksheet B-1, Worksheet J-1, and Worksheet K-5; and code 4 = other than the preprinted basis, as permitted by your fiscal intermediary. When a column is subscripted and an "other" statistical basis is used, if the basis matches the preprinted basis of the main line, use code 3. When the basis of the subscripted line does not match the preprinted basis of the main line, use code 4. Refer to Table 2 for the special worksheet identifier used with column headings and statistical basis and to Table 3 for line and column references.

Use the exact formatting displayed below for column headings for Worksheets B-1, B, Parts I and II, Worksheet J-1, Part III (lines 1-3), and Worksheet K-5, Part II, statistical bases used in cost allocation on Worksheet B-1 Worksheet J-1, Part III (lines 4 and 5), and Worksheet K-5, Part II, and statistical codes used for Worksheet B-1 (line 6). Type 2 records for J-1, columns 1-14, are listed below as well. The numbers at the top of the columns represent the line number of the type 2 record. The numbers running vertical to line 1 descriptions are the general service cost center line designation.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 1 - RECORD SPECIFICATIONS

LINE						
	1	2	3	4	5	6
1	CAP REL	BUILD	& FIXTURES	SQUARE	FEET	1
2	CAP REL	MOVEABLE	EQUIPMENT	SQUARE	FEET	1
3	EMPLOYEE	BENEFITS		GROSS	SALARIES	3
4	ADMINIS-	TRATIVE	& GENERAL	ACCUMULAT	COST	3
5	PLANT OPER	MAINTENA NCE	& REPAIR	SQUARE	FEET	1
6	LAUNDRY	& LINEN	SERVICE	POUNDS OF	LAUNDRY	3
7	HOUSE-	KEEPING		HOURS OF	SERVICE	3
8	DIETARY			MEALS	SERVED	3
9	NURSING	ADMINIS	TRATION	DIRECT	NURSING	3
10	CENTRAL	SERVICES	& SUPPLY	COSTED	REQUISITI ONS	3
11	PHARMAC Y			COSTED	REQUISITI ONS	3
12	MEDICAL	RECORDS	& LIBRARY	TIME	SPENT	3
13	SOCIAL	SERVICE		TIME	SPENT	3
14	INTERNS &	RESIDENTS		ASSIGNED	TIME	3

Examples of type 2 records are below. Either zero or spaces may be used in the line, subline, column, and subcolumn number fields (positions 11-20). However, spaces are preferred. (See the first two lines of the example for the comparison.)\* Refer to Tables 5 and 6 for additional cost center code requirements.

Examples:

Worksheet A line labels with embedded cost center codes:

```
* 2A000000      1      0100CAP REL COSTS - BLDGS & FIXTURES
* 2A000000000000100000000101CAP REL COSTS - WEST WING
  2A000000      2      0200CAP REL COSTS - MOVABLE EQUIPMENT
  2A000000      4      0400ADMINISTRATIVE & GENERAL
  2A000000      8      0800DIETARY
  2A000000     21      2100RADIOLOGY
  2A000000     21 1    2101RADIOLOGY - DIAGNOSTIC
  2A000000     27      2700SPEECH PATHOLOGY
```

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
 TABLE 2 - WORKSHEET INDICATORS

This table contains the worksheet indicators that are used for electronic cost reporting. A worksheet indicator is provided only for those worksheets from which data are to be provided.

The worksheet indicator consists of seven digits in positions 2-8 of the record identifier. The first two digits of the worksheet indicator (positions 2 and 3 of the record identifier) always show the worksheet. The third digit of the worksheet indicator (position 4 of the record identifier) is used in several ways. First, it may be used to identify worksheets for multiple SNF-based components. Alternatively, it may be used as part of the worksheet, e.g., A81. The fourth digit of the worksheet indicator (position 5 of the record identifier) represents the type of provider, by using the keys below. Except for Worksheets A-6 and A-8 (to handle multiple worksheets), the fifth and sixth digits of the worksheet indicator (positions 6 and 7 of the record identifier) identify worksheets required by a Federal program (18 = Title XVIII, 05 = Title V, or 19 = Title XIX) or worksheet required for the facility (00 = Universal), and to identify on Worksheet H-5 the two digit identifier which corresponds to the two digit subscript of question 17 on Worksheet S-4 identifying the MSA in which the provider performed services during the cost reporting period. The seventh digit of the worksheet indicator (position 8 of the record identifier) represents the worksheet part.

Provider Type - Fourth Digit of the Worksheet Identifier

	<u>Worksheets</u>
Universal.....0 (Zero)	
SNF.....A	
NF.....B	
CMHC.....C	
CORF.....D	
OPT.....E	
OOT.....F	J-1, J-2, J-3, J-4, S-6
OSP.....G	
ICF/MR.....I	
<b>HOSPICE.....K</b>	K, K-1, K-2, K-3, K-4, K-5, K-
FQHC.....Q	I-1, I-2, I-3, I-4, I-5, S-5
RHC.....R	I-1, I-2, I-3, I-4, I-5, S-5
<b>HSPS.....S</b>	

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Worksheets That Apply to the SNF Cost Report (Full or Simplified)

<u>Worksheet</u>	<u>Worksheet Indicator - Full Cost Report</u>	<u>Worksheet Indicator - Simplified Cost Report</u>
S, Part I	S000001	S000001
S, Part II	S000002	S000002
S-2	S200000	S200000
S-3, Part I	S300001	S300001
S-3, Part II	S300002	S300002
S-3, Part III	S300003	S300003

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 2 - WORKSHEET INDICATORS

Worksheets That Vary by Component and/or Program

<u>Worksheet</u>	<u>Title V</u>	<u>Title XVIII</u>	<u>Title XIX</u>
S-4, Part I	S410051 (a)	S410181 (a)	S410191 (a)

Worksheets That Apply to the SNF Cost Report (Full or Simplified)

<u>Worksheet</u>	<u>Worksheet Indicator</u> <u>Full Cost Report</u>		<u>Worksheet Indicator</u> <u>Simplified Cost</u> <u>Report</u>
S-4, Part II	S4100020	(a)	
S-5	S510000	(h)	
S-6	S610000	(b)	
S-7, Part I	S700001		
S-7, Part II	S700002		
S-7, Part III	S700003		
<b>S-7, Part IV</b>	<b>S700004</b>		<b>S700004</b>
<b>S-8</b>	<b>S800000</b>		
A	A000000		<b>A00000</b>
A-6	A600001	(c)	<b>A60010</b>
A-7	A700000		<b>A700000</b>
A-8	A800000		<b>A800000</b>
A-8-1, Part A	A81000A		
A-8-1, Part B	A81000B		
A-8-1, Part C	A81000C		
A-8-2	A820010	(c)	
A-8-3	A830000	(d)	<b>A830000</b>
A-8-4	A840000	(d)	<b>A840000</b>
A-8-5	A850000	(g)	<b>A850000</b>

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 2 - WORKSHEET INDICATORS

Worksheets That Apply to the SNF Cost Report (Full or Simplified)

<u>Worksheet</u>	<u>Worksheet Indicator</u> <u>Full Cost Report</u>	<u>Worksheet Indicator</u> <u>Simplified Cost</u> <u>Report</u>
B-1 (For use in column headings)	B10000*	
B, Part I	B000001	
B, Part II	B000002	
B, Part III		B000003
B-1, Part I	B100001	
B-1, Part II		B100002
B-2	B200010	(c)
C	C000000	C000000

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 2 - WORKSHEET INDICATORS

Worksheets That Vary by Component and/or Program –

<u>Worksheet</u>	<u>Title V</u>	<u>Title XVIII</u>	<u>Title XIX</u>
D, Part I (SNF)	D00A051 (f)	D00A181	D00A191
D, Part I (NF)	D00B051		D00B191
D, Part I (ICF/MR)	D00I051	D00I181	D00I191
D, Part II (SNF)	D00A052 (e), (f)	D00A182	D00A192 (e), (f)
D, Part II (NF)	D00B052 (e)		D00B192 (e)
D-1 (SNF)	D10A050 (f)	D10A180	D10A190 (f)
D-1 (NF)	D10B050		D10B190
D-1 (ICF/MR)	D10I050	D10I180	D10I190

Worksheet That Applies to the SNF Complex – **Full Cost Report**

D-2	D200000	(d)
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Worksheets That Vary by Component and/or Program - **Full Cost Report**

<u>Worksheet</u>	<u>Title V</u>	<u>Title XVIII</u>	<u>Title XIX</u>
E, Part I (SNF)	E00A051 (f)	E00A181	E00A191 (f)
E, Part I (NF)	E00B051		E00B191
E, Part I (ICF/MR)	E00I051	E00I181	E00I191
E, Part II		E00A182	
E, Part III	E00A053	E00A183	E00A193
E, Part V		E00A185	
E-1		E10A180	

Worksheets That Vary by Component and/or Program – **Simplified Cost Report**

<u>Worksheet</u>	<u>Title V</u>	<u>Title XVIII</u>	<u>Title XIX</u>
E, Part III	E00A053	E00A183	E00A193
E-1		E10A180	

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 2 - WORKSHEET INDICATORS

Worksheet That Applies to the SNF Complex

	<u>Worksheet Indicator</u> <u>Full Cost Report</u>		<u>Worksheet Indicator</u> <u>Simplified Cost</u> <u>Report</u>
G	G000000		G000000
G-1	G100000		G100000
G-2, Part I	G200001		G200001
G-2, Part II	G200002		G200002
G-3	G300000		G300000
H	H010000	(a)	
H-1	H110000	(a)	
H-2	H210000	(a)	
H-3	H310000	(a)	
H-4, Parts I & II	H410002	(a)	
H-5, Parts III- V	H510003	(a,d)	

Worksheet That Varies by Program – Full Cost Report

<u>Worksheet</u>	<u>Title V</u>	<u>Title XVIII</u>	<u>Title XIX</u>
H-5, Parts I & II	H510052 (a,i)	H510082 (a,i)	H510092 (a,i)
H-6, Parts I & II	H610052 (a)	H610182 (a)	H610192 (a)

Worksheets That Apply to the SNF Complex \_Full Cost Report

<u>Worksheet</u>	<u>Worksheet Indicator</u>	
H-7	H710000	(a)
I-1	I11?001	(h)
I-2	I21?000	(h)
I-3	I31?000	(h)
I-5	I51?000	(h)

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 2 - WORKSHEET INDICATORS

Worksheets That Vary by Component and/or Program - **Full Cost Report**

<u>Worksheets</u>	<u>Worksheet Indicator</u>	
J-1, Part I	J11?001	(b)
J-1, Part III	J11?003	(b)
J-2	J21?000	(b)
J-3, Part I	J31?000	(b, d)

Worksheet That Varies by Program - **Full Cost Report**

<u>Worksheet</u>	<u>Title V</u>	<u>Title XVIII</u>	<u>Title XIX</u>
J-3, Part II	J31?052	J31?182	J31?192
J-3, Part III	J31?053	J31?183	J31?193 (b)

Worksheets That Apply to the SNF Complex - **Full Cost Report**

J-4	J410000
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**Worksheets That Apply to the Hospice Complex**

K-1	K110000	(j)
K-2	K210000	(j)
K-3	K310000	(j)
K-4, Part I	K410001	(j)
K-4, Part II	K410002	(j)
K-5, Part I	K510001	(j)
K-5, Part II	K510002	(j)
K-5, Part III	K510005	(j)

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 2 - WORKSHEET INDICATORS

FOOTNOTES:

- (a) Multiple SNF-Based Home Health Agencies (HHAs)  
The 3rd digit of the worksheet indicator (position 5 of the record) is numeric to identify the SNF-based HHA. If there is only one home health agency, the default is 1. This affects all H series worksheets, and Worksheet S-4.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 2 - WORKSHEET INDICATORS

## FOOTNOTES:

- b) Multiple Outpatient Rehabilitation Providers  
The third digit of the worksheet indicator is numeric from 1 to 9 to accommodate multiple providers. If there is only one outpatient provider type, the default is 1. The fourth character of the worksheet indicator (position 5 of the record) indicates the outpatient rehabilitation provider as listed above. This affects all J series worksheets and Worksheet S-6.
- (c) Multiple Worksheets for Reclassifications and Adjustments Before and After Step-down  
The fifth and sixth digits of the worksheet indicator (positions 6 and 7 of the record) are numeric from 01-99 to accommodate reports with more lines on Worksheets A-6, A-8-2, and/or B-2. For reports that do not need additional worksheets, the default is 01. For reports that do need additional worksheets, the first page of each worksheet is numbered 01. The number for each additional page of each worksheet is incremented by 1.
- (d) Worksheet with Multiple Parts using Identical Worksheet Indicator  
Although this worksheet has several parts, the lines are numbered sequentially. This worksheet identifier is used with all lines from this worksheet regardless of the worksheet part. This differs from the Table 3 presentation which identifies each worksheet and part as they appear on the cost report. This affects Worksheets A-8-3, A-8-4, D-2, H-5, Parts III through V, and J-2.
- (e) States Apportioning Vaccine Costs Per Medicare Methodology  
If, for titles V and/or XIX, your state directs providers to apportion vaccine costs using Medicare's methodology, show these costs on a separate Worksheet D, Part II for each title.
- (f) States Licensing the Provider as an SNF Regardless of the Level of Care  
These worksheet identifiers are for providers licensed as an SNF for titles V and XIX.
- (g) Multiple Worksheet A-8-5  
This worksheet is used for occupational, physical, or respiratory therapy and speech pathology services furnished by outside suppliers. The fourth digit of the worksheet indicator (position 5 of the record) is an alpha character of O for occupational therapy, P for physical therapy, R for respiratory therapy, and S for speech pathology services.
- (h) Multiple Health Clinic Programs  
The third digit of the worksheet indicator (position 4 of the record) is numeric from 1 to 0 to accommodate multiple providers. If there is only one health clinic provider type, the default is 1. The fourth character of the worksheet indicator (position 5 of the record) indicates the health clinic provider. Q indicates Federally Qualified Health Center, and R indicates Rural Health Clinic.
- (i) Multiple Worksheets H-5, Part II for Cost Limitations Based on the MSA  
The fifth and sixth digits of the worksheet indicator (positions 6 and 7 of the record) is numeric from 00-24 and corresponds to the two digit subscript of line 17 on Worksheet S-4 (i.e. insert the identifier 02 for line 17.02) which identifies the 4 digit MSA code. If services are provided in only one MSA, the default is 00. Where an HHA provides services in multiple MSA's, one Worksheet H-5, Part II must be completed for each MSA.
- (j) Multiple SNF-Based Hospices (HSPSs)  
The 3rd digit of the worksheet indicator (position 5 of the record) is numeric to identify the SNF-based Hospice. If there is only one hospice, the default is 1. This affects all K series worksheets, and Worksheet S-8

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN  
DESIGNATIONS

This table identifies those data elements necessary to calculate a skilled nursing facility cost report. It also identifies some figures from a completed cost report. These calculated fields (e.g., Worksheet B, column 18) are needed to verify the mathematical accuracy of the raw data elements and to isolate differences between the file submitted by the skilled nursing facility complex and the report produced by the fiscal intermediary. Where an adjustment is made, that record must be present in the electronic data file. For explanations of the adjustments required, refer to the cost report instructions.

Table 3 "Usage" column is used to specify the format of each data item as follows:

9	Numeric, greater than or equal to zero.
-9	Numeric, may be either greater than, less than, or equal to zero.
9(x).9(y)	Numeric, greater than zero, with x or fewer significant digits to the left of the decimal point, a decimal point, and exactly y digits to the right of the decimal point.
X	Character.

Consistency in line numbering (and column numbering for general service cost centers) for each cost center is essential. The sequence of some cost centers does change among worksheets. Refer to Table 4 for line and column numbering conventions for use with complexes that have more components than appear on the preprinted Form HCFA 2540-96.

Table 3 refers to the data elements needed from a standard cost report. When a standard line is subscripted, the subscripted lines must be numbered sequentially with the first subline number displayed as "01" or "1" in field locations 14-15. It is unacceptable to format in a series of 10, 20, or skip subline numbers (i.e., 01, 03), except for skipping subline numbers for prior year cost center(s) deleted in the current period or initially created cost center(s) no longer in existence after cost finding. Exceptions are specified in this manual. For "Other (specify)" lines, i.e., Worksheet settlement series, all subscripted lines must be in sequence and consecutively numbered beginning with subscripted line "01". Automated systems must reorder these numbers where the provider skips a line number in the series.

Drop all records with zero values from the file. Any record absent from a file is treated as if it were zero.

All numeric values are presumed positive. Leading minus signs may only appear in data with values less than zero that are specified in Table 3 with a usage of "-9". Amounts that are within preprinted parentheses on the worksheets, indicating the reduction of another number, are to be reported as positive values.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN DESIGNATIONS

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
WORKSHEET S				
<u>Part II:</u>				
Balances due provider or program:				
Title V	1, 3-6	1	9	-9
Title XVIII, Part A	1, 4	2	9	-9
Title XVIII, Part B	1, 4-6	3	9	-9
Title XIX	1, 3-6	4	9	-9
In total	7	1-4	9	-9
WORKSHEET S-2				
For the skilled nursing facility only:				
Street	1	1	36	X
P.O. Box	1	2	9	X
City	2	1	36	X
State	2	2	2	X
Zip Code	2	3	10	X
County	3	1	36	X
MSA Code	3	3	4	9
Urban/Rural	3	3	1	X
Facility Specific Rate	3.1	1	11	9(8).99
Transition period	3.1	2	3	9(3)
Wage Index Adjustment Factor - Before October 1	3.2	1	6	9.9(4)
Wage Index Adjustment Factor - After September 30	3.2	2	6	9.9(4)
For the skilled nursing facility and SNF-based components:				
Component name	4, 6, 8, 10-12	1	36	X
Provider number (xxxxxx)	4, 6, 8, 10-12	2	6	X
Date certified (MM/DD/YYYY)	4, 6, 8, 10-12	3	10	X

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
 TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN  
 DESIGNATIONS

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Worksheet S-7, Part III				
Transition Period	0	1-4	1	X
Facility Specific Rate	1-45	2	6	9(8).99
Federal Case Mix Rate	1-45	3	6	9(8).99
Federal Case Mix Rate	1-6, 8,9, 12 - 14, 27 - 45	5	6	9(8).99
Federal Rate – High Cost Add On	7,10,11, 15-26	3.01& 5.01	6	9(8).99
Days (Prior to 10/01/XXXX)	1-45	4	6	9
Add On Days (Services on and after 04/01/2000, but prior to 10/01/2000)	7,10,11, 15-26	4.01	6	9
Days (After 09/30/XXXX)	1-45	6	6	9
Add On Days (Services on and after 10/01/2000)	7,10,11, 15-26	6.01	6	9
Federal Case Mix	1-45	7	9	9
Facility Specific	1-45	8	9	9
Blend Amounts	1-45	9 & 10	9	9
Worksheet S-7, Part IV				
Rate (see instructions)	1-45	3 & 4	6	9(3).99
Days (see instructions)	1-45	3.01 & 4.01	6	9
High Cost RUGs days	7,10-11 & 15-26	4.05	6	9
Total (see instructions)	1 - 45	5	11	9

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN DESIGNATIONS

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
<b>Worksheet S-8</b>				
<b><u>Part I</u></b>				
Continuous Home Care	1	1-5	9	9
Routine Home Care	2	1-5	9	9
Inpatient Respite Care	3	1-5	9	9
General Inpatient Care	4	1-5	9	9
<b><u>Part II</u></b>				
Number of Patients Receiving Hospice Care	6	1-5	9	9
Total number of unduplicated census count	7	1 & 3	9	9
Unduplicated Census Count	9	1-5	9	9
<b>WORKSHEET A</b>				
Direct salaries by department	3-16,18-19,21-51,54-56,58-63	1	9	-9
Total direct salaries	75	1	9	9
Other direct costs by department	1-16,18-19,21-51,52-56,58-63	2	9	-9
Total other direct costs	75	2	9	9
Net expenses for cost allocation by department	1-16,18-19,21-51,55-56,58-63	7	9	-9
Total net expenses for cost allocation	75	7	9	9
<b>WORKSHEET A-6</b>				
For each expense reclassification:				
Explanation	1-35	0	36	X
Reclassification code	1-35	1	2	X

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN  
DESIGNATIONS

WORKSHEET A-8-5 (CONTINUED)

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Standard travel expense rate	7	1	5	99.99
Optional travel expense rate per mile	8	1	3	.99
Total hours worked by discipline	9	1-5	11	9(8).99
ASHEA by discipline	10	1-5	5	99.99
Number of travel hours by discipline	12	1-3	11	9
Number of miles driven by discipline	13	1-3	11	9
Weighted average rate excluding aides and trainees (see instructions)	21	1	11	9(8).99
Weighted allowance excluding aides and trainees (see instructions)	22	1	11	9(8).99
Total salary equivalency (see instructions)	23	1	11	9(8).99
Travel allowance and expense - include only one	44, 45, 46	1	11	9
Overtime hours worked during period by discipline (see instructions)	47	1-4	11	9(8).99
Allocation of provider's standard workyear for one full-time employee times the percentages on line 50 (see instructions)	51	5	7	9(4).00
Equipment cost (see instructions)	61	1	11	9
Supplies (see instructions)	62	1	11	9
Total cost of supplier services (from your records)	64	1	11	9
Cost of outside supplier services - SNF (from your records)	66	1	11	9
Cost of outside supplier services - CORF (from your records)	67	1	11	9

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN  
DESIGNATIONS  
WORKSHEET A-8-5 (CONTINUED)

DESCRIPTION	LINE(S)	COLUMN(S)	FIELD SIZE	USAGE
Cost of outside supplier services - CMHC (from your records)	68	1	11	9
Cost of outside supplier services - OPT (from your records)	69	1	11	9
Cost of outside supplier services - HHA (from your records)	70	1	11	9

\*Line designation for SNF and components; SNF = 66.00, CORF = 66.10-66.10, CMHC = 66.11-66.20, OPT = 66.21-66.30, HHA = 66.31-66.40, OOT = 66.41-66.50, OSP, 66.51-66.60. This sequence should be used on lines 68 and 69.

WORKSHEETS B-1; B, PARTS I-II; AND J-1, PARTS I AND III

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Column heading (cost center name)	1-3 *	1-3, 4-15	10	X
Statistical basis	4, 5 *	1-3, 4-15	10	X

\* Refer to Table 1 for specifications and Table 2 for the worksheet identifier for column headings. There may be up to five type 2 records (3 for cost center name and 2 for the statistical basis) for each column. However, for any column that has less than five type 2 record entries, blank records or the word "blank" is not required to maximize each column record count.

WORKSHEET B, PART I

Total adjustments after cost finding	75	17	9	-9
Costs after cost finding and post step-down adjustments by department	16, 18-19, 21-51, 55, 56, 58-65	18	9	-9
Total costs after cost finding and post step-down adjustments	75	18	9	9

WORKSHEET B, PART II

Directly assigned capital related costs by department	1-16, 18-19, 21-51, 55, 56, 58-63	0	9	9
Total directly assigned capital related costs	75	0	9	9
Total adjustments after cost finding	75	17	9	-9
Total capital related costs after cost finding by department	16, 18-19, 21-51, 55, 56, 58-65	18	9	9
Total capital related costs after cost finding in total	75	18	9	9

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN DESIGNATIONS

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
<b>WORKSHEET B, PART III</b>				
Total Cost	16, 18-19, 21-33, 59, 63	5	9	9
<b>WORKSHEET B-1, PART I</b>				
For each cost allocation using accumulated costs as the statistic, include a record containing an X.	0	4-15	1	X
All cost allocation statistics	1-16, 18-19, 21-51, 55-56, 58- 63, 66**	1-15*	9	9
Reconciliation	4-16, 18-19, 21-51, 55-56, 58-63**	4A-15A	9	-9
* In each column using accumulated costs as the statistical basis for allocating costs, identify each cost center that is to receive no allocation with a negative 1 placed in the accumulated cost column. You may elect to indicate total accumulated cost as a negative amount in the reconciliation column. However, there should never be entries in both the reconciliation column and accumulated cost column simultaneously on the same line. For those cost centers that are to receive partial allocation of costs, provide only the cost to be excluded from the statistic as a negative amount on the appropriate line in the reconciliation column. If line 4 is fragmented, delete it and use subscripts of line 4.				
** Line 34 in column 8 is shaded and is not used.				
<b>WORKSHEET B-1, PART II</b>				
All cost allocation statistics	16, 18-19, 21-33, 59, 63	1-4	9	9
<b>WORKSHEET B-2</b>				
For post step-down adjustment:				
Description	1-58*	1	30	X
Worksheet B part number	1-58*	2	1	9
Worksheet A line number	1-58*	3	5	99.99
Amount of adjustment	1-58*	4	9	-9
* On Worksheet B-2, if there are more than 58 lines needed, use multiple worksheets. (Refer to footnote (c) in Table 2.)				

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN  
DESIGNATIONS

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
WORKSHEET C				
Total cost from Worksheet B, Part I, column 18, lines 21-36	75	1	9	9
Total charges by department	21-48	2	9	9
Total charges	75	2	9	9
WORKSHEET D, PART I				
Ancillary cost apportionment				
Part A program charges by department	21-48	2**	9	9
Part B program charges by department	21-36	3 *	9	9
Title XVIII charges on and after 1/1/98	25, 26, 27	6	9	9
Total program charges	75	2, 3 *	9	9
Total program costs	75	4, 5 *	9	9
* When completing Worksheet D, Part I, for titles V and/or XIX, do not use columns 3 and 5.				
** Line 48 column 2 is ONLY used by titles V and XIX.				
WORKSHEET D, PART II				
Vaccine cost apportionment				
Program vaccine charges	2	1	9	9

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
 TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN  
 DESIGNATIONS

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
WORKSHEET G-2 (Continued)				
Outpatient rehabilitation provider	12	2	9	9
Text as needed for blank line	13	0	36	X
Other	13	1, 2	9	9
Total patient revenues	14	1,2	9	9
<u>Part II</u> : Text as needed for blank lines	2-7, 9-13	0	36	X
Increases to operating expenses reported on Worksheet A	2-7	1	9	9
Decreases to operating expenses reported on Worksheet A	9-13	1	9	9
Total operating expenses	15	2	9	9
WORKSHEET G-3				
Contractual allowance and discounts on patients' accounts	2	1	9	9
Other revenues	7-25	1	9	9
Other expenses	28-30	1	9	9
Text as needed for blank lines	25, 28-30	0	36	X
Net income (loss)	32	1	9	-9
WORKSHEET H				
Transportation costs	3-24	3	9	9
Other costs	1-24	5	9	9
Text as needed for blank lines	22-24	0	36	X

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN DESIGNATIONS

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
WORKSHEET H-1				
Salaries and wages by discipline	3-11, 15-24	1-2, 4-7	9	9
Other salaries and wages	3-24	8	9	9
WORKSHEET H-2				
Employee benefits by discipline	3-11, 15-24	1-2, 4-7	9	9
Other employee benefits	3-24	8	9	9
WORKSHEET H-3				
Contracted/purchased services by discipline	3-11, 15-24	1-7	9	9
Other contracted/purchased services	3-24	8	9	9
WORKSHEET H-4, PART II				
Charges for home health services furnished by shared ancillary departments	1-7	1	9	9
WORKSHEET H-5, PART I				
Total visits	1-6	3	9	9
WORKSHEET H-5, PART II				
Medicare visits - Parts A and B	1-6	5-6	9	9
Medicare cost limits by discipline	8-13	4	6	9(3).99
Total charges for DME rented and sold and medical supplies	15-16	3	9	9
Charges for medical supplies - Medicare Parts A and B	15	5-7	9	9
Charges for drugs - Medicare Part B	16	6-7	9	9

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
 TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN  
 DESIGNATIONS

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
WORKSHEET J-3				
Cost of component service	1	1-3	9	9
Cost of health service	1.01	1-3	9	9
PPS payment received	1.02	1-3	9	9
1996 SNF specific payment to cost ratio	1.03	1-3	4	9.99
Line 1.01 times line 1.03	1.04	1-3	9	9
Line 1.02 divided by line 1.04	1.05	1-3	4	9.99
Transitional corridor payment	1.06	1-3	9	9
Primary payment amounts	2	1-3	9	9
Part B deductible billed to program patients	4	2	9	9
Coinsurance billed	7	1-3	9	9
Reimbursable bad debts	9	1-3	9	9
Amounts applicable to prior periods resulting from depreciable asset disposal	11	1-3	9	9
Recovery of excess depreciation	12	1-3	9	9
Sequestration adjustment	14	1-3	9	9
Interim payments for titles V and XIX (where applicable)	16	1, 3	9	9
Protested amounts	18	1-3	9	-9
WORKSHEET J-4				
Total interim payments paid to provider	1	2	9	9
Interim payments payable	2	2	9	9
Date of each retroactive lump sum adjustment (MM/DD/YYYY)	3.01-3.98	1	10	X
Amount of each lump sum adjustment				
Program to provider	3.01-3.49	2	9	9
Provider to program	3.50-3.98	2	9	9

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN DESIGNATIONS

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
<b>WORKSHEET K-1</b>				
Salaries and wages	3-33	1-7	11	9
All other	3-33	8	11	9
<b>WORKSHEET K-2</b>				
Employee Benefits	3-33	1-7	11	9
All other	3-33	8	11	9
<b>WORKSHEET K-3</b>				
Contracted services/purchased services	3-33	1-7	11	9
All other	3-33	8	11	9
<b>WORKSHEET K-4, PARTS I &amp; II</b>				
<u>Part I</u>				
Total	34	1-4 & 5	11	9
Cost allocation	6-33	6	11	9
<u>Part II</u>				
Reconciliation	6-33	6A	11	-9
All cost allocation statistics	1-33	1-5*	11	9
*See note to Worksheet B-1 for treatment of administrative and general accumulation cost column				
<b>WORKSHEET K-5, PARTS I, II &amp; III</b>				
<u>Part I</u>				
Post step-down adjustments (including total)	1-30	26	11	-9
Total cost after finding	2-18	18	11	9

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 3A - WORKSHEETS REQUIRING NO INPUT

Worksheet S, Part I  
Worksheet A-8-3, Parts II, III, and IV  
Worksheet A-8-4, Parts II and III  
Worksheet J-1, Part II  
Worksheet H-4, Part I

TABLE 3B - TABLES TO WORKSHEET S-2

Table I: Type of Control

1	=	Voluntary Nonprofit, Church
2	=	Voluntary Nonprofit, Other
3	=	Proprietary, Individual
4	=	Proprietary, Corporation
5	=	Proprietary, Partnership
6	=	Proprietary, Other
7	=	Governmental, Federal
8	=	Governmental, City-County
9	=	Governmental, County
10	=	Governmental, State
11	=	Governmental, Hospital District
12	=	Governmental, City
13	=	Governmental, Other

Table II: All-inclusive provider methods (See HCFA Pub. 15-I, §2208.2.)

Method A	=	Departmental statistical data
Method D	=	Comparable SNF data
Method E	=	Percentage of average cost per diem

TABLE 3C - LINES THAT CANNOT BE SUBSCRIBED  
(BEYOND THOSE PREPRINTED)

<u>Worksheet</u>	<u>Lines</u>
S, Part II	1, 3, 7
S-2	1-4, 6, 6.10, 7, 13-35, 41-46
S-3, Part I	1, 3, 4
S-3, Parts II & III	All
S-4, Part I	1-8
S-4, Part II	1-12
S-5	1-8, 14, 16
S-6	1-17

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 3C - LINES THAT CANNOT BE SUBSCRIPTED  
(BEYOND THOSE PREPRINTED) (CONTINUED)

<u>Worksheet</u>	<u>Lines</u>
S-7, Parts I, II, III, and IV	All
A	16, 19, 48, 49, 52-54, 75 (lines 17 and 20 may not be used)
A-6	All
A-7	All
A-8	8, 12, and 32
A-8-1, Part A	All
A-8-1, Part B	1-8
A-8-1, Part C	1-9
A-8-2	All
A-8-3	All (except lines 5, 6, 12, 13, 28-38, 51, 59, 62, and 64)
A-8-4	All
A-8-5	All (except lines 5, 6, 12, 12.01, 13, 13.01, 66-70, 77-81)
B, Parts I & II	16, 19, 48, 49, 52-54, 65, and 75 (lines 17 and 20 may not be used)
<b>B, Part III</b>	<b>15.1, 16, 17, 18, 18.1, 19, 21-33, 59, 63 (Lines 17 and 20 may not be used)</b>
B-1	16, 19, 48, 49, and 52-54 (lines 17 and 20 may not be used)
<b>B, Part II</b>	<b>15.1, 16, 17, 18, 18.1, 19, 21-33, 59, 63 (Lines 17 and 20 may not be used)</b>
C	75
D, Part I	75
D-1	All
D-2	2, 4-5, and 17 (lines 3, 7, 11, 18, and 19 may not be used)
E, Part I	All (except line 30)
E, Part II	All (except line 22)
E, Part III	All (except line 32)

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 3C - LINES THAT CANNOT BE SUBSCRIBED  
(BEYOND THOSE PREPRINTED) (CONTINUED)

<u>Worksheet</u>	<u>Lines</u>
E, Part V	All
E-1	1, 2, 3.01-3.04, and 3.50-3.53
G	All
G-1	1
G-2, Part I	1, 3, and 4 (line 2 may not be used)
G-2, Part II	15
G-3	2, 7-24, and 32
H	All
H-1	All
H-2	All
H-3	All
H-5	All
H-6	1 through 19, 21 through 23
H-7	1, 2, 3.01-3.04, and 3.50-3.53
I-1	All
I-2	All
I-3	All
J-1	All
J-2	All
J-3	2 through 18
J-4	1, 2, 3.01-3.04, and 3.50-3.53

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 3D - PERMISSIBLE PAYMENT MECHANISMS

P = Prospective payment

O = Other

N = Not applicable

<u>Component</u>	<u>Title V</u>	<u>Title XVIII</u>	<u>Title XIX</u>
Skilled Nursing Facility	P or O	P	P or O
Nursing Facility	O	N	O
ICF/MR	N	N	O
SNF-Based OLTC	N	N	N
SNF-Based HHA	P or O	P	P or O
SNF-Based Outpatient Rehabilitation Provider	O	O	O
SNF-Based RHC	O	O	O
SNF-Based Hospice	N	N	N

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 3E - CORRELATION OF SUBSCRIPTINGS AMONG THE WORKSHEETS

<u>WKST A</u>	<u>WKST A-8</u>	<u>WKST A-8-5-PT</u>	<u>WKST A-8-5-RT</u>	<u>WKST A-8-5-OT</u>	<u>WKST A-8-5-SP</u>
24 (RT- Ancillary)	24 (RT- Ancillary)	N/A	77	N/A	N/A
24.01	24.01				
24.02	24.02				
24.03	24.03				
24.04	24.04				
24.05	24.05				
24.06	24.06				
24.07	24.07				
24.08	24.08				
24.09	24.09				
25 (PT- Ancillary)	25 (PT- Ancillary)	77	N/A	N/A	N/A
25.01	25.01				
25.02	25.02				
25.03	25.03				
25.04	25.04				
25.06	25.06				
25.07	25.07				
25.08	25.08				
25.09	25.09				
26 (OT- Ancillary)	26 (OT- Ancillary)	N/A	N/A	77	N/A
26.01	26.01				
26.02	26.02				
26.03	26.03				
26.04	26.04				
26.05	26.05				
26.06	26.06				
26.07	26.07				
26.08	26.08				
26.09	26.09				
27 (SP- Ancillary)	27 (SP- Ancillary)	N/A	N/A	N/A	77
27.01	27.01				
27.02	27.02				
27.03	27.03				
27.04	27.04				
27.05	27.05				
27.06	27.06				
27.07	27.07				
27.08	27.08				
27.09	27.09				

ELECTRONIC COST REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 6 - EDITS

<u>Reject Code</u>	<u>Condition</u>
1005S	The cost report ending date (Worksheet S-2, column 2, line 13) must be on or after 3/31/97. [03/31/1997]
1010S	All provider and component numbers displayed on Worksheet S-2, column 2, lines 4, 6-8, and 10-12, must contain six (6) alphanumeric characters. [03/31/1997]
1015S	The cost report period beginning date (Worksheet S-2, column 1, line 13) must precede the cost report ending date (Worksheet S-2, column 2, line 13). [03/31/1997]
1020S	The skilled nursing facility name, provider number, certification date, and title XVIII payment mechanism (Worksheet S-2, line 4, columns 1, 2, 3, and 5, respectively) must be present and valid. [03/31/1997]
1030S	For each provider name reported (Worksheet S-2, column 1, lines 4, 6, 6.10, 8, and 10-12), there must be corresponding entries made on Worksheet S-2, lines 4, 6, 6.10, 8, and 10-11, for the provider number (column 2), the certification date (column 3), and the payment system for either titles V, XVIII, or XIX (columns 4, 5, or 6, respectively) indicated with a valid code (P, O, or N). (See Table 3D.). [03/31/1997]
1035S	On Worksheet S-2, there must be a response in every file in column 1, lines 13-18, 22, 28-32, and 41-44, 46-49. For provider names reported (Worksheet S-2, column 1, lines 4, 6, 6.10, 7, 8, and 10), there must be corresponding entries made on Worksheet S-2, column 1, lines 33, 36, 37; in column 2, lines 33, 36, 37, 39, and 40; and in column 3, line 35, and 35.10. If any of lines 37, 39, or 40 have been subscribed, there must be a response in the appropriate columns for each subscribed line. [09/30/1998]
1040S	If Worksheet S-2, column 1, line 47 equals "Y" and column 2, line 47 equals "N" and the provider's cost reporting period begins other than October 1st, Worksheet S-2, columns 1 and 2 line 48 must be greater than zero. However, if Worksheet S-2, column 2, line 47 equals "Y" this edit should be ignored. [11/30/1999]
1045S	If Worksheet S-2, column 1, line 47 equals "Y" and column 2, line 47 equals "N" and the cost reporting period begins on October 1st, Worksheet S-2, column 1, line 48 must be greater than zero, and no entry should be made in column 2. However, if Worksheet S-2, column 2, line 47 equals "Y" this edit should be ignored. [11/30/1999]

ELECTRONIC COST REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 6 - EDITS

<u>Reject Code</u>	<u>Condition</u>
1075S	All amounts reported on Worksheet S-3, Part I must not be less than zero. [03/31/1997]
1080S	For Worksheet S-3, Part I, the sum of the inpatient days in columns 3-6 for each of lines 1, 3, and 4 must be equal to or less than the total inpatient days in column 7 for each line. [03/31/1997]
1100S	The amount of hours reported in column 4, lines 1-13 (Worksheet S-3, Part III) must be greater than or equal to zero . [03/31/1997]
1105S	For Worksheet S-3, Part I, the sum of the discharges in columns 8-11 for each of lines 1, 3, and 4 must be equal to or less than the total discharges in column 12 for each line indicated. [03/31/1997]
1110S	Worksheet S-3, Part II, columns 1 and 4, line 23 must be greater than zero. [03/31/1997]

ELECTRONIC COST REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 6 - EDITS

Reject CodeCondition

The following Wage Index edits are to be applied against PPS SNFs only, edit number 1200S, 1205S, and 1220S.

1200S	For Worksheet S-3, Part II, sum of columns 1 and 2 each of lines 2-5, 8-14, 17-21, and subscripts as applicable must be equal to or greater than zero. [01/31/2001]
1205S	The amount of salaries reported for Interns & Residents in approved programs Worksheet S-3, Part II column 1, line 4 must be equal to or greater than the amount on Worksheet A, column 1 line 14 (including subscripts). [09/30/1998]
1220S	Worksheet S-3, Part II, sum of columns 1 & 1, line 19 must be greater than zero. [09/30/1998]
1000A	Worksheet A, columns 1 and 2, line 75 must be greater than zero. [03/31/97]
1015A	On Worksheet A, lines 52 and 53, the sum of column 2 and the corresponding reclassifications and adjustments must equal zero. On line 54, the sum of columns 1 and 2 and the corresponding reclassifications and adjustments must equal zero. [03/31/1997]
1020A	For reclassifications reported on Worksheet A-6, the sum of all increases (columns 4 and 5) must equal the sum of all decreases (columns 8 and 9). [03/31/1997]
1025A	For each line on Worksheet A-6, if there is an entry in column 3, 4, 5, 7, 8, or 9, there must be an entry in column 1. There must be an entry on each line of columns 4 and/or 5 for each entry in column 3 (and vice versa), and there must be an entry on each line of columns 8 and/or 9 for each entry in column 7 (and vice versa). All entries must be valid, for example, no salary adjustments in columns 3 and/or 7, for capital lines 1 & 2 of Worksheet A. [09/30/1998]
1040A	For Worksheet A-8 adjustments on lines 1-7, 9-11, and 13-21, if either columns 2 or 4 has an entry, then columns 1, 2, and 4 must have entries, and if any one of columns 0, 1, 2, or 4 for line 31 (and subscripts of line 31) has an entry, then all columns 0, 1, 2, and 4 must have entries. [03/31/1997]
1045A	If there are any transactions with related organizations or home offices as defined in HCFA Pub. 15-I, chapter 10 (Worksheet A-8-1, Part A, line 1, column 1, is "X"), Worksheet A-8-1, Part B, columns 4 or 5, sum of lines 1-9 must be greater than zero; and Part C, column 1, any one of lines 1-10 must contain any one of alpha characters A through G. Conversely, if Worksheet A-8-1, Part A, line 1, column 2, is "X," Worksheet A-8-1, Parts B and C must not be completed. [03/31/1997]
1050A	On Worksheet A-8-2, the sum of columns 4 and 5 must equal the corresponding line of column 3 and column 6, or column 7 must be greater than zero if column 3 or 5 is greater than zero. [10/31/1998]

ELECTRONIC COST REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 6 - EDITS

<u>Reject Code</u>	<u>Condition</u>
1055A	Worksheet A-8-3, column 1, line 56 must equal the sum of column 1, lines 58 and 59. [03/31/1997]
1060A	If Worksheet A-8-5, column 5, line 47 is equal to zero, column 5, line 51 must also be equal to zero. Conversely, if Worksheet A-8-5, columns 1-4, line 47 is greater than zero, column 5, line 51 must be greater than column 5, line 47 and equal to or less than 2080 hrs. [10/31/1998]
1000B	On Worksheet B-1, all statistical amounts must be greater than or equal to zero, except for reconciliation columns. [03/31/1997]
1005B	Worksheet B, Part I, column 18, line 75 must be greater than zero. [03/31/1997]
1010B	For each general service cost center with a net expense for cost allocation greater than zero (Worksheet A, column 7, lines 1-15), the corresponding total cost allocation statistics (Worksheet B-1, column 1, line 1; column 2, line 2; etc.) must also be greater than zero. Exclude from this edit any cost center that uses accumulated cost as its basis for allocation. [03/31/1997]
1015B	For any column which uses accumulated cost as its basis of allocation (Worksheet B-1), there may not simultaneously exist on any line an amount both in the reconciliation column and the accumulated cost column, including a negative one. [03/31/1997]
1010C	On Worksheet C, all amounts in column 1 line 75 and column 2 must be greater than or equal to zero. [03/31/1997]
1000D	On Worksheet D, all amounts must be greater than or equal to zero. [03/31/1997]
1020H	Total visits on Worksheet H-5, Part I, sum of column 3 lines 1-6 must be equal to or greater than unduplicated census count, Worksheet S-4, column 8, line 9. [10/31/1998]
1030H	The sum of Worksheet H-5, Part IV, column 1, line 25 must be equal to or greater than Worksheet S-4, column 3, line 9. [10/31/1998]
1000J	Worksheet J-1, Part I, sum of columns 0-3, 4-15, and 17, line 22, must equal the corresponding Worksheet B, column 18, line 50 or appropriate subscript as identifies this provider type. [03/31/1997]

ELECTRONIC COST REPORTING SPECIFICATIONS FOR FORM HCFA 2540-96  
TABLE 6 - EDITS

II. Level II Edits (Potential Rejection Errors)

These conditions are usually, but not always, incorrect. These edit errors should be cleared when possible through the cost report. When corrections on the cost report are not feasible, you should provide additional information in schedules, note form, or any other manner as may be required by your fiscal intermediary (FI). Failure to clear these errors in a timely fashion, as determined by your FI, may be grounds for withholding payments.

<u>Edit</u>	<u>Condition</u>
2000	All type 3 records with numeric fields and a positive usage must have values equal to or greater than zero (supporting documentation may be required for negative amounts).
2005	Only elements set forth in Table 3, with subscripts as appropriate, are required in the file.
2010	The cost center code (positions 21-24) (type 2 records) must be a code from Table 5, and each cost center code must be unique (HCRIS #2085).
2015	Standard cost center lines, descriptions, and codes should not be changed. (See Table 5.) This edit applies to the standard line only and not subscripts of that code.
2020	All standard cost center codes must be entered on the designated standard cost center line and subscripts thereof as indicated in Table 5.
2025	Only nonstandard cost center codes within a cost center category may be placed on standard cost center lines of that cost center category.